

QUARTERLY STATEMENT
OF THE
Volunteer State Health Plan, Inc.

of
Chattanooga
in the state of
Tennessee

TO THE
Insurance Department
OF THE STATE OF
Tennessee

FOR THE QUARTER ENDED
June 30, 2003

HEALTH QUARTERLY STATEMENT

AS OF June 30, 2003

OF THE CONDITION AND AFFAIRS OF THE

Volunteer State Health Plan, Inc.

NAIC Group Code0000,0000NAIC Company CodeEmployer's ID Number62-1656610

(Current Period)(Prior Period)

Organized under the Laws ofTennessee,State of Domicile or Port of EntryTennessee

Country of DomicileUnited States of America

Licensed as business type:Life, Accident & Health[]Property/Casualty[]Hospital, Medical & Dental Service or Indemnity[]Dental Service Corporation[]Vision Service Corporation[]Health Maintenance Organization[X]Other[]Is HMO Federally Qualified? Yes[] No[X]

Date Incorporated or Organized07/11/1996Date Commenced Business11/01/1996

Statutory Home Office801 Pine Street,Chattanooga, TN 37402

(Street and Number)(City, or Town, State and Zip Code)

Main Administrative Office801 Pine Street

(Street and Number)Chattanooga, TN 37402(423)755-5600

(City or Town, State and Zip Code)(Area Code) (Telephone Number)

Mail Address801 Pine Street,Chattanooga, TN 37402

(Street and Number or P.O. Box)(City, or Town, State and Zip Code)

Primary Location of Books and Records801 Pine Street

(Street and Number)Chattanooga, TN 37402(423)755-5600

(City, or Town, State and Zip Code)(Area Code) (Telephone Number)

Internet Website Addresswww.bcbst.com

Statutory Statement ContactLinda Farah Snell(423)763-3130

(Name)(Area Code)(Telephone Number)(Extension)

Linda_Snell@bcbst.com(423)752-8331

(E-Mail Address)(Fax Number)

Policyowner Relations Contact801 Pine Street

(Street and Number)Chattanooga , TN 37402(423)755-5600

(City, or Town, State and Zip Code)(Area Code) (Telephone Number)(Extension)

OFFICERS

President & CEO Ronald Ellis Harr

Secretary John Linville Shull

Treasurer David Lee Deal

Assistant Secretary Shelia Dian Clemons

Assistant Treasurer Harold Hoke Cantrell

DIRECTORS OR TRUSTEES

Ronald Ellis HarrDavid Lee Deal

Vicky Brown GreggJoan Carol Harp

State ofTennessee

County ofHamiltonss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manuals except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

(Signature)Ronald Ellis Harr

(Printed Name)President & CEO

(Signature)John Linville Shull

(Printed Name)Secretary

(Signature)David Lee Deal

(Printed Name)Treasurer

Subscribed and sworn to before me thisday of, 2003

a. Is this an original filing?

b. If no,1. State the amendment number

2. Date filed

3. Number of pages attached

Yes[X] No[]

(Notary Public Signature)

ASSETS

		Current Statement Date			4
		1	2	3	December 31, Prior Year Net Admitted Assets
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1.	Bonds	21,028,873		21,028,873	19,994,049
2.	Stocks:				
	2.1 Preferred stocks				
	2.2 Common stocks				
3.	Mortgage loans on real estate:				
	3.1 First liens				
	3.2 Other than first liens				
4.	Real estate:				
	4.1 Properties occupied by the company (less \$..... encumbrances)				
	4.2 Properties held for the production of income (less \$..... encumbrances)				
	4.3 Properties held for sale (less \$..... encumbrances) ..				
5.	Cash (\$....(18,577,434) and short-term investments \$.....39,002,848)	20,425,414		20,425,414	30,144,002
6.	Contract loans (including \$..... premium notes)				
7.	Other invested assets				
8.	Receivable for securities				
9.	Aggregate write-ins for invested assets				
10.	Subtotals, cash and invested assets (Lines 1 to 9)	41,454,287		41,454,287	50,138,051
11.	Investment income due and accrued	355,347		355,347	447,631
12.	Premiums and considerations:				
	12.1 Uncollected premiums and agents' balances in course of collection				
	12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$..... earned but unbilled premiums)				
	12.3 Accrued retrospective premiums				
13.	Reinsurance:				
	13.1 Amounts recoverable from reinsurers				
	13.2 Funds held by or deposited with reinsured companies				
	13.3 Other amounts receivable under reinsurance contracts				
14.	Amounts receivable relating to uninsured plans	20,607		20,607	2,115,149
15.1	Current federal and foreign income tax recoverable and interest thereon				
15.2	Net deferred tax asset	2,675,046	972,774	1,702,272	1,702,272
16.	Guaranty funds receivable or on deposit				
17.	Electronic data processing equipment and software				
18.	Furniture and equipment, including health care delivery assets (\$.....)				
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Receivables from parent, subsidiaries and affiliates	4,900,767	2,931,284	1,969,483	
21.	Health care (\$.....164,760) and other amounts receivable	164,760	162,527	2,233	16,526
22.	Other assets nonadmitted				
23.	Aggregate write-ins for other than invested assets				
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	49,570,814	4,066,585	45,504,229	54,419,629
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26.	TOTALS (Lines 24 and 25)	49,570,814	4,066,585	45,504,229	54,419,629
DETAILS OF WRITE-INS					
0901				
0902				
0903				
0998.	Summary of remaining write-ins for Line 9 from overflow page				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301				
2302				
2303				
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$..... reinsurance ceded)	362,429		362,429	1,556,385
2.	Accrued medical incentive pool and bonus payments				
3.	Unpaid claims adjustment expenses				
4.	Aggregate health policy reserves				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserve				
7.	Aggregate health claim reserves				
8.	Premiums received in advance				
9.	General expenses due or accrued	689,372		689,372	735,405
10.1	Current federal and foreign income tax payable and interest thereon (including \$..... on realized gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				
14.	Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current)				
15.	Amounts due to parent, subsidiaries and affiliates				175,752
16.	Payable for securities				
17.	Funds held under reinsurance treaties with (\$..... authorized reinsurers and \$..... unauthorized reinsurers)				
18.	Reinsurance in unauthorized companies				
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Liability for amounts held under uninsured accident and health plans	479,303		479,303	6,041,003
21.	Aggregate write-ins for other liabilities (including \$..... current)	7,021,658		7,021,658	11,237,947
22.	Total liabilities (Lines 1 to 21)	8,552,762		8,552,762	19,746,492
23.	Common capital stock	X X X	X X X	100,000	100,000
24.	Preferred capital stock	X X X	X X X		
25.	Gross paid in and contributed surplus	X X X	X X X		
26.	Surplus notes	X X X	X X X		
27.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
28.	Unassigned funds (surplus)	X X X	X X X	36,851,467	34,573,137
29.	Less treasury stock, at cost:				
29.1 shares common (value included in Line 23 \$.....)	X X X	X X X		
29.2 shares preferred (value included in Line 24 \$.....)	X X X	X X X		
30.	Total capital and surplus (Lines 23 to 28 minus Line 29)	X X X	X X X	36,951,467	34,673,137
31.	Total liabilities, capital and surplus (Lines 22 and 30)	X X X	X X X	45,504,229	54,419,629
DETAILS OF WRITE-INS					
2101.	Due State of Tennessee	3,522,702		3,522,702	6,461,647
2102.	Contingent Legal Liability	1,450,000		1,450,000	1,450,000
2103.	Stale Dated Checks	1,251,579		1,251,579	1,495,620
2198.	Summary of remaining write-ins for Line 21 from overflow page	797,377		797,377	1,830,680
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)	7,021,658		7,021,658	11,237,947
2701	X X X	X X X		
2702	X X X	X X X		
2703	X X X	X X X		
2798.	Summary of remaining write-ins for Line 27 from overflow page	X X X	X X X		
2799.	TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	(111)	1,721,113
2.	Net premium income (including \$..... non-health premium income)	X X X	(732,295)	305,219,377
3.	Change in unearned premium reserves and reserves for rate credits	X X X
4.	Fee-for-service (net of \$..... medical expenses)	X X X
5.	Risk revenue	X X X
6.	Aggregate write-ins for other health care related revenues	X X X	0
7.	Aggregate write-ins for other non-health revenues	X X X
8.	Total revenues (Lines 2 to 7)	X X X	(732,295)	305,219,377
Hospital and Medical:				
9.	Hospital/medical benefits	(2,343,108)	185,556,526
10.	Other professional services	1,214,966	28,496,747
11.	Outside referrals
12.	Emergency room and out-of-area	(446,720)	7,471,954
13.	Prescription drugs	(202)	70,676,899
14.	Aggregate write-ins for other hospital and medical	232,816	5,310,467
15.	Incentive pool and withhold adjustments	21,368	(4,136,297)
16.	Subtotal (Lines 9 to 15)	(1,320,880)	293,376,296
Less:				
17.	Net reinsurance recoveries
18.	Total hospital and medical (Lines 16 minus 17)	(1,320,880)	293,376,296
19.	Non-health claims
20.	Claims adjustment expenses	143,564	16,831,742
21.	General administrative expenses	117,462	13,771,425
22.	Increase in reserves for life and accident and health contracts (including \$..... increase in reserves for life only)
23.	Total underwriting deductions (Lines 18 through 22)	(1,059,854)	323,979,463
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	327,559	(18,760,086)
25.	Net investment income earned	253,918	1,969,981
26.	Net realized capital gains or (losses)	(103,063)
27.	Net investment gains or (losses) (Lines 25 plus 26)	253,918	1,866,918
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....) (amount charged off \$.....)]
29.	Aggregate write-ins for other income or expenses
30.	Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	581,477	(16,893,168)
31.	Federal and foreign income taxes incurred	X X X	204,136	(5,849,462)
32.	Net income (loss) (Lines 30 minus 31)	X X X	377,341	(11,043,706)
DETAILS OF WRITE-INS				
0601.	GME & Essential Provider Payment Revenues	X X X	54,517,456	67,346,940
0602.	Meharry Dental Payment	X X X	(5,042,966)
0603.	GME Payments & Associated Premium Taxes	X X X	(23,964,286)	(46,938,776)
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X	(25,510,204)	(20,408,164)
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	0
0701	X X X
0702	X X X
0703	X X X
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X
1401.	Exigency Post-Settlement Activity	232,816	6,478,389
1402.	BHO SubCapitation	(1,167,922)
1403
1498.	Summary of remaining write-ins for Line 14 from overflow page
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	232,816	5,310,467
2901
2902
2903
2998.	Summary of remaining write-ins for Line 29 from overflow page
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year To Date	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	34,673,137	64,695,856
GAINS AND LOSSES TO CAPITAL & SURPLUS			
34.	Net income or (loss) from Line 32	377,341	(12,466,504)
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Net unrealized capital gains and losses		
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		(3,119,172)
39.	Change in nonadmitted assets	1,900,989	6,287,958
40.	Change in unauthorized reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in		(20,725,000)
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus		(1)
48.	Net change in capital and surplus (Lines 34 to 47)	2,278,330	(30,022,719)
49.	Capital and surplus end of reporting period (Line 31 plus 48)	36,951,467	34,673,137
DETAILS OF WRITE-INS			
4701.	Rounding		(1)
4702		
4703		
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		(1)

CASH FLOW

		1	2
		Current Year To Date	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	(732,295)	293,047,346
2.	Net investment income	631,222	3,711,937
3.	Miscellaneous income	0	
4.	Total (Lines 1 through 3)	(101,073)	296,759,283
5.	Benefit and loss related payments	(126,924)	399,626,387
6.	Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	3,774,217	15,947,645
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) \$..... net tax on capital gain (losses)	204,136	(11,217,047)
10.	Total (Lines 5 through 9)	3,851,429	404,356,985
11.	Net cash from operations (Line 4 minus Line 10)	(3,952,502)	(107,597,702)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds		40,026,750
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash and short-term investments		
12.7	Miscellaneous proceeds		
12.8	Total investment proceeds (Lines 12.1 to 12.7)		40,026,750
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	1,319,844	31,658,420
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications		
13.7	Total investments acquired (Lines 13.1 to 13.6)	1,319,844	31,658,420
14.	Net increase (decrease) in policy loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14)	(1,319,844)	8,368,330
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		(20,725,000)
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds received		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	(4,446,242)	(25,465,108)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(4,446,242)	(46,190,108)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS			
18.	Net change in cash and short-term investments (Lines 11 plus 15 plus 17)	(9,718,588)	(145,419,480)
19.	Cash and short-term investments:		
19.1	Beginning of year	30,144,002	175,563,482
19.2	End of period	20,425,414	30,144,002

This is a Work Paper Page to gather information according to the NAIC Instructions
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DEVELOPMENT DATA WORKPAGES FOR "CASH FLOW"

Use the COMPANY ADJUSTMENT AMOUNT lines to adjust any line(s) on the Cash Flow page.

CASH FROM OPERATIONS		CY Cash Flow
1.	Premiums Collected Net of Reinsurance	
1.1	Page 4, Statement of Revenue & Expenses, Line 2, Column 2, Current Year => Net premium income (including \$##### non-health premium income)	(732,295)
1.2	Page 2, Assets, Line 12 + 13.3, Column 1, Current Year (in part for experience rating and other refunds due) less Line 10, Column 1, Prior Year	
1.2A	Page 2, Assets, Line 12.1, Column 1, Current Year (in part for experience rating and other refunds due) => Uncollected premiums and agents' balances in the course of collection	
1.2B	Page 2, Assets, Line 12.2, Column 1, Current Year (in part for experience rating and other refunds due) => Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$##### earned but unbilled premiums)	
1.2C	Page 2, Assets, Line 12.3, Column 1, Current Year (in part for experience rating and other refunds due) => Accrued retrospective premiums	
1.2D	Page 2, Assets, Line 13.3, Column 1, Current Year (in part for experience rating and other refunds due) => Other amounts receivable under reinsurance contracts	
1.2E	Page 2, Assets, Line 10, Column 1, Previous Year => Accident and health premiums due and unpaid	
1.2F	Subtotal (Lines 1.2A+ 1.2B + 1.2C + 1.2D - 1.2E)	
1.3	Page 3, Liabilities, Line 8 + 11, Current Year less Line 6, Prior Year	
1.3A	Page 3, Liabilities, Line 8, Column 3, Current Year => Premiums received in advance	
1.3B	Page 3, Liabilities, Line 11, Column 3, Current Year => Ceded reinsurance premiums payable	
1.3C	Page 3, Liabilities, Line 6, Column 3, Previous Year => Premiums received in advance	
1.3D	Subtotal (Lines 1.3A + 1.3B - 1.3C)	
1.4	COMPANY ADJUSTMENT AMOUNT (Line 1)	
1.5	TOTAL (Lines 1.1 - 1.2F + 1.3D + 1.4) = CASH FLOW LINE 1 => Premiums collected net of reinsurance	(732,295)
2.	Net Investment Income	
2.1	Page 4, Statement of Revenue & Expenses, Line 25, Column 2, Current Year => Net investment income earned	253,918
2.2	Page 2, Assets, Line 11 + 19, Column 1, Current Year less Line 13 + 14, Column 1, Prior Year	
2.2A	Page 2, Assets, Line 11, Column 1, Current Year => Investment income due and accrued	355,347
2.2B	Page 2, Assets, Line 19, Column 1, Current Year => Net adjustments in assets and liabilities due to foreign exchange rates	
2.2C	Page 2, Assets, Line 13, Column 1, Previous Year => Net adjustments in assets and liabilities due to foreign exchange rates	
2.2D	Page 2, Assets, Line 14, Column 1, Previous Year => Investment income due and accrued	447,631
2.2E	Subtotal (Line 2.2A + 2.2B) - (Line 2.2C + 2.2D)	(92,284)
2.3	Page 3, Liabilities, Line 19, Current Year less Line 15, Prior Year	
2.3A	Page 3, Liabilities, Line 19, Column 3, Current Year => Net adjustments in assets and liabilities due to foreign exchange rates	
2.3B	Page 3, Liabilities, Line 15, Column 3, Previous Year => Net adjustments in assets and liabilities due to foreign exchange rates	
2.3C	Subtotal (Line 2.3A - 2.3B)	
2.4	Amortization of Premium from Investment Worksheet => Lines B8 + S8 + M9 + O9	285,020
2.5	Accrual of Discount from Investment Worksheet => Lines B9 + S9 + M5 + O5	
2.6	Investment Expenses Adjustment to Cash Basis (transferred from Line 7.4 below)	
2.7	Depreciation Expense (included in Line 2.1)	
2.8	COMPANY ADJUSTMENT AMOUNT (Line 2)	
2.9	TOTAL (Lines 2.1 - 2.2E + 2.3C + 2.4 - 2.5 - 2.6 + 2.7 + 2.8) = CASH FLOW LINE 2 => Net Investment Income	631,222
3.	Miscellaneous Income	
3.1	Page 4, Statement of Revenue & Expenses, Lines 4 + 5 + 6 + 7, Current Year	
3.1A	Page 4, Statement of Revenue & Expenses, Line 4, Column 2, Current Year => Fee for service (net of \$##### medical expenses)	
3.1B	Page 4, Statement of Revenue & Expenses, Line 5, Column 2, Current Year => Risk revenue	
3.1C	Page 4, Statement of Revenue & Expenses, Line 6, Column 2, Current Year => Aggregate write-ins for other health care related revenues	0
3.1D	Page 4, Statement of Revenue & Expenses, Line 7, Column 2, Current Year => Aggregate write-ins for other non-health revenues	
3.1E	Subtotal (Line 3.1A + 3.1B + 3.1C + 3.1D)	0
3.2	Page 2, Assets, Lines 13.2 + 13.3 + 21, Column 1, Current Year (in part for all amounts not reported in Line 1.2 above) less Line 11 + 15, Column 1, Prior Year	
3.2A	Page 2, Assets, Line 13.2, Column 1, Current Year (in part for all amounts not reported in Line 1.2 above) => Funds held by or deposited with reinsured companies	
3.2B	Page 2, Assets, Line 13.3, Column 1, Current Year (in part for all amounts not reported in Line 1.2 above) => Other amounts receivable under reinsurance contracts	
3.2C	Page 2, Assets, Line 21, Column 1, Current Year => Health care (\$#####) and other amounts receivable	
3.2D	Page 2, Assets, Line 11 + 15, Column 1, Previous Year	
3.2E	Subtotal (Lines 3.2A + 3.2B + 3.2C - 3.2D)	
3.3	COMPANY ADJUSTMENT AMOUNT (Line 3)	
3.4	TOTAL (Lines 3.1E - 3.2E + 3.3) = CASH FLOW LINE 3 => Miscellaneous income	0
4.	Total Lines 1 through 3 (Lines 1.5 + 2.9 + 3.4) => CASH FLOW LINE 4	(101,073)

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DEVELOPMENT DATA WORKPAGES FOR "CASH FLOW"

Use the COMPANY ADJUSTMENT AMOUNT lines to adjust any line(s) on the Cash Flow page.

		CY Cash Flow
5.	Benefit and Loss Related Payments	
5.1	Page 4, Statement of Revenue & Expenses, Lines 18 + 22 + 35 - 3, Current Year	
5.1A	Page 4, Statement of Revenue & Expenses, Line 18, Column 2, Current Year => Total hospital and medical	(1,320,880)
5.1B	Page 4, Statement of Revenue & Expenses, Line 22, Column 2, Current Year => Increase in reserves for life and accident and health contracts (including \$##### increase in reserves for life only)	
5.1C	Page 5, Statement of Revenue & Expenses, Line 35, Column 1, Current Year => Change in valuation basis of aggregate policy and claim reserves	
5.1D	Page 4, Statement of Revenue & Expenses, Line 3, Column 2, Current Year => Change in unearned premium reserves and reserve for rate credits	
5.1E	Subtotal (Line 5.1A + 5.1B + 5.1C - 5.1D)	(1,320,880)
5.2	Page 2, Assets, Line 13.1, Column 1, Current Year less Line 12, Column 1, Prior Year	
5.2A	Page 2, Assets, Line 13.1, Column 1, Current Year => Amounts recoverable from reinsurers	
5.2B	Page 2, Assets, Line 12, Column 1, Previous Year => Amounts recoverable from reinsurers	
5.2C	Subtotal (Line 5.2A - 5.2B)	
5.3	Page 3, Liabilities, Lines 1 + 2 + 4 + 5 + 6 + 7, Current Year less Lines 1 + 2 + 4 + 5, Prior Year	
5.3A	Page 3, Liabilities, Line 1, Column 3, Current Year => Claims unpaid (less \$##### reinsurance ceded)	362,429
5.3B	Page 3, Liabilities, Line 2, Column 3, Current Year => Accrued medical incentive pool and bonus payments	
5.3C	Page 3, Liabilities, Line 4, Column 3, Current Year => Aggregate health policy reserves	
5.3D	Page 3, Liabilities, Line 5, Column 3, Current Year => Aggregate life policy reserves	
5.3E	Page 3, Liabilities, Line 6, Column 3, Current Year => Property/casualty unearned premium reserve	
5.3F	Page 3, Liabilities, Line 7, Column 3, Current Year => Aggregate health claim reserves	
5.3G	Page 3, Liabilities, Line 1, Column 3, Previous Year => Claims unpaid (less \$##### reinsurance ceded)	1,556,385
5.3H	Page 3, Liabilities, Line 2, Column 3, Previous Year => Accrued medical incentive pool and bonus payments	
5.3I	Page 3, Liabilities, Line 4, Column 3, Previous Year => Aggregate policy reserves	
5.3J	Page 3, Liabilities, Line 5, Column 3, Previous Year => Aggregate claim reserves	
5.3K	Subtotal (Line 5.3A + 5.3B + 5.3C + 5.3D + 5.3E + 5.3F) - (Line 5.3G + 5.3H + 5.3I + 5.3J)	(1,193,956)
5.4	COMPANY ADJUSTMENT AMOUNT (Line 5)	
5.5	TOTAL (Lines 5.1E + 5.2C - 5.3K + 5.4) = CASH FLOW LINE 5 => Benefit and loss related payments	(126,924)
6.	Net Transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts (N/A for Health Entities)	
6.1	Page 4, Statement of Revenue & Expenses, Current Year	
6.2	Page 3, Liabilities, Current Year less Prior Year	
6.3	COMPANY ADJUSTMENT AMOUNT (Line 6)	
6.4	TOTAL (Lines 6.1 - 6.2 + 6.3) = CASH FLOW LINE 6 => Net transfers to Separate, Segregated Accounts and Protected Cell Accounts	
7.	Commissions, Expenses Paid and Aggregate Write-ins for Deductions	
7.1	Page 4, Statement of Revenue & Expenses, Lines 20 + 21 + 28 + 29, Current Year	
7.1A	Page 4, Statement of Revenue & Expenses, Line 20, Column 2, Current Year => Claims adjustment expenses	143,564
7.1B	Page 4, Statement of Revenue & Expenses, Line 21, Column 2, Current Year => General administrative expenses	117,462
7.1C	Page 4, Statement of Revenue & Expenses, Line 28, Column 2, Current Year => Net gain or (loss) from agents' or premium balances charged off (amount recovered \$#####) (amount charged off \$#####)	
7.1D	Page 4, Statement of Revenue & Expenses, Line 29, Column 2, Current Year => Aggregate write-ins for other income or expenses	
7.1E	Subtotal (Lines 7.1A + 7.1B + 7.1C + 7.1D)	261,026
7.2	Page 2, Assets, Line 14 + 16, Column 1, Current Year less Line 16, Column 1, Prior Year	
7.2A	Page 2, Assets, Line 14, Column 1, Current Year => Amounts receivable relating to uninsured plans	20,607
7.2B	Page 2, Assets, Line 16, Column 1, Current Year => Guaranty funds receivable or on deposit	
7.2C	Page 2, Assets, Line 16, Column 1, Previous Year => Amounts receivable relating to uninsured accident and health plans	2,115,149
7.2D	Subtotal (Lines 7.2A + 7.2B - 7.2C)	(2,094,542)
7.3	Page 3, Liabilities, Lines 3 + 9 + 20, Current Year less Lines 3 + 7 + 16, Prior Year	
7.3A	Page 3, Liabilities, Line 3, Column 3, Current Year => Unpaid claims adjustment expenses	
7.3B	Page 3, Liabilities, Line 9, Column 3, Current Year => General expenses due or accrued	689,372
7.3C	Page 3, Liabilities, Line 20, Column 3, Current Year => Liability for amounts held under uninsured accident and health plans	479,303
7.3D	Page 3, Liabilities, Line 3, Column 3, Previous Year => Unpaid claims adjustment expenses	
7.3E	Page 3, Liabilities, Line 7, Column 3, Previous Year => General expenses due or accrued	735,405
7.3F	Page 3, Liabilities, Line 16, Column 3, Previous Year => Liability for amounts held under uninsured accident and health plans	6,041,003
7.3G	Subtotal (Lines 7.3A + 7.3B + 7.3C) - (Lines 7.3D + 7.3E + 7.3F)	(5,607,733)
7.4	Expense Adjustment to Cash Basis Related to Investment Income (transfer to Line 2.6 above)	
7.5	Depreciation Expense (included in Line 7.1)	
7.6	COMPANY ADJUSTMENT AMOUNT (Line 7)	
7.7	TOTAL (Lines 7.1E + 7.2D - 7.3G - 7.4 - 7.5 + 7.6) = CASH FLOW LINE 7 => Commissions, expenses paid and aggregate write-ins for deductions	3,774,217
8.	Dividends to Policyholders (N/A to Health Entities)	
8.1	Page 4, Statement of Revenue & Expenses, Current Year	
8.2	Page 3, Liabilities, Current Year less Prior Year	
8.3	COMPANY ADJUSTMENT AMOUNT (Line 8)	
8.4	TOTAL (Lines 8.1 - 8.2 + 8.3) = CASH FLOW LINE 8 => Dividends to policyholders	

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DEVELOPMENT DATA WORKPAGES FOR "CASH FLOW"

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		CY Cash Flow
9.	Federal and Foreign Income Taxes (Paid) Recovered	
9.1	Page 4, Statement of Revenue & Expenses, Line 31 + tax amount included in Lines 26 and 36 + 38, Current Year	
9.1A	Page 4, Statement of Revenue & Expenses, Line 31, Column 2, Current Year => Federal and foreign income taxes incurred	204,136
9.1B	Page 4, Statement of Revenue & Expenses, Line 26, Column 2, Current Year (tax amount only) => Net realized capital gains or (losses)	
9.1C	Page 5, Statement of Revenue & Expenses, Line 36, Column 1, Current Year (tax amount only) => Net unrealized capital gains and losses	
9.1D	Page 5, Statement of Revenue & Expenses, Line 38, Column 1, Current Year => Change in net deferred income tax	
9.1E	Subtotal (Lines 9.1A + 9.1B + 9.1C + 9.1D)	204,136
9.2	Page 2, Assets, Line 15, Column 1, Current Year less Line 19, Column 1, Prior Year	
9.2A	Page 2, Assets, Line 15.1, Column 1, Current Year => Current federal and foreign income tax recoverable and interest thereon	
9.2B	Page 2, Assets, Line 15.2, Column 1, Current Year => Net deferred tax asset	2,675,046
9.2C	Page 2, Assets, Line 19, Column 1, Previous Year => Federal and foreign income tax recoverable and interest thereon (including \$##### net deferred tax asset)	2,675,046
9.2D	Subtotal (Lines 9.2A + 9.2B - 9.2C)	
9.3	Page 3, Liabilities, Line 10, Current Year less Line 8, Prior Year	
9.3A	Page 3, Liabilities, Line 10.1, Column 3, Current Year => Current federal and foreign income tax payable and interest thereon (including \$##### on realized capital gains (losses)	
9.3B	Page 3, Liabilities, Line 10.2, Column 3, Current Year => Net deferred tax liability	
9.3C	Page 3, Liabilities, Line 8, Column 3, Previous Year => Federal and foreign income tax payable and interest thereon (including \$##### on realized capital gains (losses) (including \$##### net deferred tax liability)	
9.3D	Subtotal (Lines 9.3A + 9.3B - 9.3C)	
9.4	COMPANY ADJUSTMENT AMOUNT (Line 9)	
9.5	TOTAL (Lines 9.1E + 9.2D - 9.3D + 9.4) = CASH FLOW LINE 9 => Federal and foreign income taxes (paid) recovered	204,136
10.	Total Lines 5 through 9 (Lines 5.5 + 6.4 + 7.7 + 8.4 + 9.5) => CASH FLOW LINE 10	3,851,429
11.	Net Cash from Operations (Line 4 - 10) => CASH FLOW LINE 11	(3,952,502)
CASH FROM INVESTMENTS		
B.	Bonds	
B1.	Change in Net Admitted Asset Value for Bonds	
B1.1	Page 2, Assets, Line 1, Column 3, Current Year => Bonds	21,028,873
B1.2	Page 2, Assets, Line 1, Column 3, Previous Year => Bonds	19,994,049
B1.3	Subtotal (Line B1.1 - B1.2) => Change in net admitted asset value for Bonds	1,034,824
B2.	Change in Assets Nonadmitted for Bonds	
B2.1	Page 2, Assets, Line 1, Column 2, Current Year => Bonds	
B2.2	Page 2, Assets, Line 1, Column 2, Previous Year => Bonds	
B2.3	Subtotal (Line B2.1 - B2.2) => Change in assets nonadmitted for Bonds	
B3.	Sum of Line B1.3 + B2.3	1,034,824
B4.	Cost of Investment Acquired - Bonds	
B4.1	Schedule D - Verification Between Years, Line 2 (in part) => Cost of bonds and stocks acquired	1,319,844
B4.2	Other amount increases	
B4.3	Subtotal (Lines B4.1 + B4.2) = CASH FLOW LINE 13.1 => Cost of investment acquired - Bonds	1,319,844
B5.	Increase (Decrease) by Adjustment	
B5.1	Schedule D - Verification Between Years, Line 4 (in part) => Increase (decrease) by adjustment	
B5.2	Schedule D - Verification Between Years, Line 5 (in part) => Foreign exchange adjustment	
B5.3	Subtotal (Line B5.1 + B5.2) => Increase (Decrease) by Adjustment	
B6.	Schedule D - Verification Between Years, Line 6 (in part) => Realized gain (loss)	
B7.	Proceeds from Investments Sold, Matured or Repaid - Bonds	
B7.1	Schedule D - Verification Between Years, Line 7 (in part) => Consideration for bonds and stocks disposed of	
B7.2	Other amount decreases	
B7.3	Subtotal (Line B7.1 + B7.2) = CASH FLOW LINE 12.1 => Proceeds from investments sold, matured or repaid - Bonds	
B8.	Amortization of Premium	285,020
B9.	Accrual of Discount	
B9.1	Other amount increases (decreases) - combine increases with Line B4 and decreases with Line B7 for reporting	
B9.2	TOTAL (Lines B4.3 + B5.3 + B6 - B7.3 - B8 + B9 + B9.1)	1,034,824
B9.3	NOTE: Line B3 - B9.2 should equal 0. If difference is not equal to 0, identify differences and add to amount(s) in the appropriate line(s) or in Line B9.1.	Balanced

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DEVELOPMENT DATA WORKPAGES FOR "CASH FLOW"

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		CY Cash Flow
S.	Stocks	
S1.	Change in Net Admitted Asset Value for Stocks	
S1.1	Page 2, Assets, Line 2.1 + 2.2, Column 3, Current Year => Stocks	
S1.2	Page 2, Assets, Line 2.1 + 2.2, Column 3, Previous Year => Stocks	
S1.3	Subtotal (Line S1.1 - S1.2) => Change in net admitted asset value for Stocks	
S2.	Change in Assets Nonadmitted for Stocks	
S2.1	Page 2, Assets, Line 2.1 + 2.2, Column 2, Current Year => Stocks	
S2.2	Page 2, Assets, Line 2.1 + 2.2, Column 2, Previous Year => Stocks	
S2.3	Subtotal (Line S2.1 - S2.2) => Change in assets nonadmitted for Stocks	
S3.	Sum of Line S1.3 + S2.3	
S4.	Cost of Investment Acquired - Stocks	
S4.1	Schedule D - Verification Between Years, Line 2 (in part) => Cost of bonds and stocks acquired	
S4.2	Other amount increases	
	S4.3 Subtotal (Lines S4.1 + S4.2) = CASH FLOW LINE 13.2 => Cost of investment acquired - Stocks	
S5.	Increase (Decrease) by Adjustment	
S5.1	Schedule D - Verification Between Years, Line 4 (in part) => Increase (decrease) by adjustment	
S5.2	Schedule D - Verification Between Years, Line 5 (in part) => Foreign exchange adjustment	
S5.3	Subtotal (Line S5.1 + S5.2) => Increase (Decrease) by Adjustment	
S6.	Schedule D - Verification Between Years, Line 6 (in part) => Realized gain (loss)	
S7.	Proceeds from Investments Sold, Matured or Repaid - Stocks	
S7.1	Schedule D - Verification Between Years, Line 7 (in part) => Consideration for bonds and stocks disposed of	
S7.2	Other amount decreases	
	S7.3 Subtotal (Line S7.1 + S.72) = CASH FLOW LINE 12.2 => Proceeds from investments sold, matured or repaid - Stocks	
S8.	Amortization of Premium	
S9.	Accrual of Discount	
S9.1	Other amount increases (decreases) - combine increases with Line S4 and decreases with Line S7 for reporting	
S9.2	TOTAL (Lines S4.3 + S5.3 + S6 - S7.3 - S8 + S9 + S9.1)	
S9.3	NOTE: Line S3 - S9.2 should equal 0. If difference is not equal to 0, identify differences and add to amount(s) in the appropriate line(s) or in Line S9.1.	Balanced
Reconciliation of Bonds and Stocks to Schedule D - Verification Between Years		
1.	Cost of Bonds and Stocks Acquired	
1.1	Schedule D - Verification Between Years, Line 2	1,319,844
1.2	Line B4.3 + S4.3	1,319,844
1.3	Line 1.1 - 1.2 should = 0. If difference does not equal 0, identify differences and add to amounts in the appropriate lines	Balanced
2.	Increase (Decrease) by Adjustment + Foreign Exchange Adjustment	
2.1	Schedule D - Verification Between Years, Line 4 + 5	
2.2	Line B5.3 + S5.3	
2.3	Line 2.1 - 2.2 should = 0. If difference does not equal 0, identify differences and add to amounts in the appropriate lines	Balanced
3.	Total Gains (Losses)	
3.1	Schedule D - Verification Between Years, Line 6	
3.2	Line B6 + S6	
3.3	Line 3.1 - 3.2 should = 0. If difference does not equal 0, identify differences and add to amounts in the appropriate lines	Balanced
4.	Consideration for Bonds and Stocks Disposed	
4.1	Schedule D - Verification Between Years, Line 7	
4.2	Line B7.3 + S7.3	
4.3	Line 4.1 - 4.2 should = 0. If difference does not equal 0, identify differences and add to amounts in the appropriate lines	Balanced
M.	Mortgage Loans	
M1.	Change in Net Admitted Asset Value for Mortgages	
M1.1	Page 2, Assets, Line 3.1 + 3.2, Column 3, Current Year => Mortgage loans on real estate	
M1.2	Page 2, Assets, Line 3.1 + 3.2, Column 3, Previous Year => Mortgage loans on real estate	
M1.3	Subtotal (Line M1.1 - M1.2) => Change in net admitted asset value for Mortgages	
M2.	Change in Assets Nonadmitted for Mortgages	
M2.1	Page 2, Assets, Line 3.1 + 3.2, Column 2, Current Year => Mortgage loans on real estate	
M2.2	Page 2, Assets, Line 3.1 + 3.2, Column 2, Previous Year => Mortgage loans on real estate	
M2.3	Subtotal (Line M2.1 - M2.2) => Change in assets nonadmitted for Mortgages	
M3.	Sum of Line M1.3 + M2.3	
M4.	Cost of Investment Acquired - Mortgage Loans	
M4.1	Schedule B - Verification Between Years, Line 2 => Amount loaned during period	
M4.2	Other amount increases	
	M4.3 Subtotal (Lines M4.1 + M4.2) = CASH FLOW LINE 13.3 => Cost of investment acquired - Mortgage loans	
M5.	Schedule B - Verification Between Years, Line 3 => Accrual of discount and mortgage interest points and commitment fees	
M6.	Increase (Decrease) by Adjustment	
M6.1	Schedule B - Verification Between Years, Line 4 => Increase (decrease) by adjustment	
M6.2	Schedule B - Verification Between Years, Line 8 => Increase (decrease) by foreign exchange adjustment	
M6.3	Schedule B - Verification Between Years, Line 10, Current Year => Total valuation allowance	
M6.4	Schedule B - Verification Between Years, Line 10, Previous Year => Total valuation allowance	
M6.5	Subtotal (Line M6.1 + M6.2 + M6.3 - M6.4) => Increase (Decrease) by Adjustment	
M7.	Schedule B - Verification Between Years, Line 5 => Realized gain (loss)	

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		CY Cash Flow
M8.	Proceeds from Investments Sold, Matured or Repaid - Mortgage Loans	
M8.1	Schedule B - Verification Between Years, Line 6 => Amounts paid on account or in full during the period	
M8.2	Other amount decreases	
M8.3	Subtotal (Line M8.1 + M8.2) = CASH FLOW LINE 12.3 => Proceeds from investments sold, matured or repaid - Mortgage loans	
M9.	Schedule B - Verification Between Years, Line 7 => Amortization of premium	
M9.1	Other amount increases (decreases) - combine increases with Line M4 and decreases with Line M8 for reporting	
M9.2	TOTAL (Lines M4.3 + M5 + M6.5 + M7 - M8.3 - M9 + M9.1)	
M9.3	NOTE: Line M3 - M9.2 should equal 0. If difference is not equal to 0, identify differences and add to amount(s) in the appropriate line(s) or in Line M9.1.	Balanced
R.	Real Estate	
R1.	Change in Net Admitted Asset Value for Real Estate	
R1.1	Page 2, Assets, Line 4.1 + 4.2 + 4.3, Column 3, Current Year => Real estate	
R1.2	Page 2, Assets, Line 4.1 + 4.2 + 4.3, Column 3, Previous Year => Real estate	
R1.3	Subtotal (Line R1.1 - R1.2) => Change in net admitted asset value for Real Estate	
R2.	Change in Assets Nonadmitted for Real Estate	
R2.1	Page 2, Assets, Line 4.1 + 4.2 + 4.3, Column 2, Current Year => Real estate	
R2.2	Page 2, Assets, Line 4.1 + 4.2 + 4.3, Column 2, Previous Year => Real estate	
R2.3	Subtotal (Line R2.1 - R2.2) => Change in assets nonadmitted for Real Estate	
R3.	Sum of Line R1.3 + R2.3	
R4.	Increase (Decrease) by Adjustment	
R4.1	Schedule A - Verification Between Years, Line 2 => Increase (decrease) by adjustment	
R4.2	Schedule A - Verification Between Years, Line 6 => Increase (decrease) by foreign exchange adjustment	
R4.3	Schedule A - Verification Between Years, Line 9, Current Year => Total valuation allowance	
R4.4	Schedule A - Verification Between Years, Line 9, Previous Year => Total valuation allowance	
R4.5	Subtotal (Line R4.1 + R4.2 + R4.3 - R4.4) => Increase (Decrease) by Adjustment	
R5.	Cost of Investment Acquired - Real estate	
R5.1	Schedule A - Verification Between Years, Line 3 => Cost of acquired	
R5.2	Schedule A - Verification Between Years, Line 4 => Cost of additions and permanent improvements	
R5.3	Other amount increases	
R5.4	Subtotal (Lines R5.1 + R5.2 + R5.3) = CASH FLOW LINE 13.4 => Cost of investment acquired - Real estate	
R6.	Schedule A - Verification Between Years, Line 5 => Realized gain (loss)	
R7.	Proceeds from Investments Sold, Matured or Repaid - Real Estate	
R7.1	Schedule A - Verification Between Years, Line 7 => Amounts received on sales	
R7.2	Other amount decreases	
R7.3	Subtotal (Line R7.1 + R7.2) = CASH FLOW LINE 12.4 => Proceeds from investments sold, matured or repaid - Real Estate	
R8.	Other amount increases (decreases) - combine increases with Line R5 and decreases with Line R7 for reporting	
R9.	TOTAL (Lines R4.5 + R5.4 + R6 - R7.3 + R8)	
R9.1	NOTE: Line R3 - R9 should equal 0. If difference is not equal to 0, identify differences and add to amount(s) in the appropriate line(s) or in Line R8.	Balanced
O.	Other Invested Assets	
O1.	Change in Net Admitted Asset Value for Other Invested Assets	
O1.1	Page 2, Assets, Line 7, Column 3, Current Year => Other invested assets	
O1.2	Page 2, Assets, Line 6, Column 3, Previous Year => Other long-term invested assets	
O1.3	Subtotal (Line O1.1 - O1.2) => Change in net admitted asset value for Other Invested Assets	
O2.	Change in Assets Nonadmitted for Other Invested Assets	
O2.1	Page 2, Assets, Line 7, Column 2, Current Year => Other invested assets	
O2.2	Page 2, Assets, Line 6, Column 2, Previous Year => Other long-term invested assets	
O2.3	Subtotal (Line O2.1 - O2.2) => Change in assets nonadmitted for Other Invested Assets	
O3.	Sum of Line O1.3 + O2.3	
O4.	Cost of Investment Acquired - Other invested assets	
O4.1	Schedule BA - Verification Between Years, Line 2 => Cost of acquisitions during period	
O4.2	Other amount increases	
O4.3	Subtotal (Lines O4.1 + O4.2) = CASH FLOW LINE 13.5 => Cost of investment acquired - Other invested assets	
O5.	Schedule BA - Verification Between Years, Line 3 => Accrual of discount	
O6.	Increase (Decrease) by Adjustment	
O6.1	Schedule BA - Verification Between Years, Line 4 => Increase (decrease) by adjustment	
O6.2	Schedule BA - Verification Between Years, Line 8 => Increase (decrease) by foreign exchange adjustment	
O6.3	Schedule BA - Verification Between Years, Line 10, Current Year => Total valuation allowance	
O6.4	Schedule BA - Verification Between Years, Line 10, Previous Year => Total valuation allowance	
O6.5	Subtotal (Line O6.1 + O6.2 + O6.3 - O6.4) => Increase (Decrease) by Adjustment	
O7.	Schedule BA - Verification Between Years, Line 5 => Realized gain (loss)	
O8.	Proceeds from Investments Sold, Matured or Repaid - Other invested assets	
O8.1	Schedule BA - Verification Between Years, Line 6 => Amounts paid on account or in full during the period	
O8.2	Other amount decreases	
O8.3	Subtotal (Line O8.1 + O8.2) = CASH FLOW LINE 12.5 => Proceeds from investments sold, matured or repaid - Other invested assets	

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		CY Cash Flow
O9.	Schedule BA - Verification Between Years, Line 7 => Amortization of premium	
O9.1	Other amount increases (decreases) - combine increases with Line O4 and decreases with Line O8 for reporting	
O9.2	TOTAL (Lines O4.3 + O5 + O6.5 + O7 - O8.3 - O9 + O9.1)	
O9.3	NOTE: Line O3 - O9.2 should equal 0. If difference is not equal to 0, identify differences and add to amount(s) in the appropriate line(s) or in Line O9.1.	Balanced
P.	Contract Loans	
P1.	Change in Net Admitted Asset Value for Contract Loans	
P1.1	Page 2, Assets, Line 6, Column 3, Current Year => Contract loans (including \$##### premium notes)	
P1.2	Page 2, Assets, Column 3, Previous Year => Contract loans (including \$##### premium notes)	
P1.3	Subtotal (Line P1.1 - P1.2) => Change in net admitted asset value for Contract Loans	
P2.	Change in Assets Nonadmitted for Contract Loans	
P2.1	Page 2, Assets, Line 6, Column 2, Current Year => Contract loans (including \$##### premium notes)	
P2.2	Page 2, Assets, Column 2, Previous Year => Contract loans (including \$##### premium notes)	
P2.3	Subtotal (Line P2.1 - P2.2) => Change in assets nonadmitted for Contract Loans	
P3.	Sum of Line P1.3 + P2.3	
P4.	Increase (Decrease) by Adjustment	
P5.	Net Increase (Decrease) in Contract Loans	
P5.1	Net increase (decrease) in amount paid and received	
P5.2	Other amounts increases	
P5.3	Subtotal (Line P5.1 + P5.2) = CASH FLOW LINE 14 => Net increase (decrease) in contract loans	
P6.	Realized Gain (Loss)	
P7.	Other amount increases (decreases) - combine increases with Line P5 for reporting	
P8.	TOTAL (Lines P4 + P5.3 + P6 + P7)	
P9.	NOTE: Line P3 - P8 should equal 0. If difference is not equal to 0, identify differences and add to amount(s) in the appropriate line(s) or in Line P7.	Balanced
W.	Aggregate Write-ins for Invested Assets	
W1.	Change in Net Admitted Asset Value for Aggregate Write-ins for Invested Assets	
W1.1	Page 2, Assets, Line 9, Column 3, Current Year => Aggregate write-ins for invested assets	
W1.2	Page 2, Assets, Line 8, Column 3, Previous Year => Aggregate write-ins for invested assets	
W1.3	Subtotal (Line W1.1 - W1.2) => Change in net admitted asset value for Aggregate Write-ins for Invested Assets	
W2.	Change in Assets Nonadmitted for Aggregate Write-ins for Invested Assets	
W2.1	Page 2, Assets, Line 9, Column 2, Current Year => Aggregate write-ins for invested assets	
W2.2	Page 2, Assets, Line 8, Column 2, Previous Year => Aggregate write-ins for invested assets	
W2.3	Subtotal (Line W2.1 - W2.2) => Change in assets nonadmitted for Aggregate Write-ins for Invested Assets	
W3.	Sum of Line W1.3 + W2.3	
W4.	Increase (Decrease) by Adjustment	
W5.	Net Increase (Decrease) in Amount Paid and Received => Report as cash from investments miscellaneous on CASH FLOW LINE 12.7 if amount is an increase and CASH FLOW LINE 13.6 if amount is a decrease	
W5.1	Net increase (decrease) in amount paid and received	
W5.2	Other amounts increases	
W5.3	Subtotal (Line W5.1 + W5.2) => Report as cash from investments miscellaneous on CASH FLOW LINE 12.7 if amount is an increase and CASH FLOW LINE 13.6 if amount is a decrease	
W6.	Realized Gain (Loss)	
W7.	Other amount increases (decreases) - combine increases with Line W5 for reporting	
W8.	TOTAL (Lines W4 + W5.3 + W6 + W7)	
W9.	NOTE: Line W3 - W8 should equal 0. If difference is not equal to 0, identify differences and add to amount(s) in the appropriate line(s) or in Line W7.	Balanced
X.	Receivable (Payable) for Securities	
X1.	Change in Net Admitted Asset Value for Receivable for Securities	
X1.1	Page 2, Assets, Line 8, Column 3, Current Year => Receivable for securities	
X1.2	Page 2, Assets, Line 7, Column 3, Previous Year => Receivable for securities	
X1.3	Subtotal (Line X1.1 - X1.2) => Change in net admitted asset value for Receivable for Securities	
X2.	Change in Assets Nonadmitted for Receivable for Securities	
X2.1	Page 2, Assets, Line 8, Column 2, Current Year => Receivable for securities	
X2.2	Page 2, Assets, Line 7, Column 2, Previous Year => Receivable for securities	
X2.3	Subtotal (Line X2.1 - X2.2) => Change in assets nonadmitted for Receivable for Securities	
X3.	Net Change in Payable for Securities	
X3.1	Page 3, Liabilities, Line 16, Column 3, Current Year => Payable for securities	
X3.2	Page 3, Liabilities, Line 12, Column 3, Previous Year => Payable for securities	
X3.3	Subtotal (Line X3.1 - X3.2) => Net change in Payable for Securities	
X4.	TOTAL (Lines X1.3 + X2.3 + X3.3) => Report as cash from investments miscellaneous on CASH FLOW LINE 12.7 if amount is an increase and CASH FLOW LINE 13.6 if amount is a decrease	

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DEVELOPMENT DATA WORKPAGES FOR "CASH FLOW"

Use the COMPANY ADJUSTMENT AMOUNT lines to adjust any line(s) on the Cash Flow page.

		CY Cash Flow
Reconcile Change in IMR Liability (Life and Fraternal Companies Only)		
1.	Change in IMR Liability	
1.1	Page 3, Liabilities, Line 9.4, Column 3, Current Year => Interest Maintenance Reserve	
1.2	Page 3, Liabilities, Line 9.4, Column 3, Previous Year => Interest Maintenance Reserve	
1.3	Subtotal (Line 1.1 - 1.2) => Change in IMR liability	
2.	Current period amounts transferred to IMR	
3.	Page 4, Summary of Operations, Line 4, Column 2, Current Year => Amortization of Interest Maintenance Reserve	
4.	Other amounts increases (decreases)	
5.	TOTAL (Lines 2 - 3 + 4)	
6.	NOTE: Line 1.3 - 5 should equal 0. If difference is not equal to 0, identify differences and add to amount(s) in the appropriate line(s) or in Line 4.	Balanced
Reconcile Change in AVR Liability (Life and Fraternal Companies Only)		
1.	Change in AVR Liability	
1.1	Page 3, Liabilities, Line 24.1, Column 3, Current Year => Asset Valuation Reserve	
1.2	Page 3, Liabilities, Line 24.1, Column 3, Previous Year => Asset Valuation Reserve	
1.3	Subtotal (Line 1.1 - 1.2) => Change in AVR liability	
2.	Page 4, Summary of Operations, Line 44, Column 2, Current Year => Change in asset valuation reserve	
3.	Other amounts increases (decreases)	
4.	TOTAL (Line 2 + 3)	
5.	NOTE: Line 1.3 - 4 should equal 0. If difference is not equal to 0, identify differences and add to amount(s) in the appropriate line(s) or in Line 3.	Balanced
Reconcile Unrealized Capital Gains (Losses)		
7.	Capital and Surplus Account	
7.1	Page 5, Statement of Revenue & Expenses, Line 36, Column 1, Current Year => Net unrealized capital gains and losses ...	
7.2	Page 5, Statement of Revenue & Expenses, Line 37, Column 1, Current Year => Change in net unrealized foreign exchange capital gain (loss)	
7.3	Subtotal (Line 7.1 + 7.2) => Capital and Surplus Account	
8.	Increase (Decrease) by Adjustment from Investment Worksheet (B5.3 + S5.3 + M6.5 + R4.5 + O6.5 + P4 + W4)	
9.	Increase (Decrease) on Cash and Short-term Investments = CASH FLOW LINE 12.6 => Net gains or (losses) on cash and short-term investments	
10.	Depreciation (included in Line 8 above and reported on Line 2.7 of the Cash From Operations section of the Work Paper)	
11.	TOTAL (Line 7.3 - 8 - 9 + 10)	
11.1	NOTE: Line 11 should equal 0. If not equal to 0, balance should be reported as cash from investments miscellaneous on CASH FLOW LINE 12.7 if amount is an increase and CASH FLOW LINE 13.6 if amount is a decrease.	Balanced
Reconcile Realized Capital Gains (Losses)		
12.	Page 4, Statement of Revenue & Expenses, Line 26, Column 2, Current Year (before transfer to IMR and before taxes) => Net realized capital gains or (losses)	
13.	Realized Gain (Loss) from Investment Worksheet (B6 + S6 + M7 + R6 + O7 + P6 + W6)	
14.	Gain (Loss) on Cash and Short-term Investments = CASH FLOW LINE 12.6 => Net gains or (losses) on cash and short-term investments	
15.	TOTAL (Line 12 - 13 - 14)	
15.1	NOTE: Line 15 should equal 0. If not equal to 0, balance should be reported as cash from investments miscellaneous on CASH FLOW LINE 12.7 if amount is an increase and CASH FLOW LINE 13.6 if amount is a decrease.	Balanced
12.6	Net Gains or (Losses) on Cash and Short-Term Investments	
12.6A	Amount from Line 9 of Reconcile Unrealized Capital Gains (Losses)	
12.6B	Amount from Line 14 of Reconcile Realized Capital Gains (Losses)	
12.6C	Subtotal (Line 12.6A + 12.6B) = CASH FLOW LINE 12.6 => Proceeds from investments sold, matured or repaid - Net gains or (losses) on cash and short-term investments	
12.7	Miscellaneous Proceeds	
12.7A	Amount from Line W5.3 if increase	
12.7B	Amount from Line X4 if increase	
12.7C	Amount from Line 11 of Reconcile Unrealized Capital Gains (Losses) if increase	
12.7D	Amount from Line 15 of Reconcile Realized Capital Gains (Losses) if increase	
12.7E	Subtotal (Lines 12.7A + 12.7B + 12.7C + 12.7D) = CASH FLOW LINE 12.7 => Proceeds from investments sold, matured or repaid - Miscellaneous proceeds	
12.8	Total investment proceeds (Lines B7.3 + S7.3 + M8.3 + R7.3 + O8.3 + 12.6C + 12.7E) => CASH FLOW LINE 12.8	
13.6	Miscellaneous Applications	
13.6A	Amount from Line W5.3 if decrease	
13.6B	Amount from Line X4 if decrease	
13.6C	Amount from Line 11 of Reconcile Unrealized Capital Gains (Losses) if decrease	
13.6D	Amount from Line 15 of Reconcile Realized Capital Gains (Losses) if decrease	
13.6E	Subtotal (Lines 13.6A + 13.6B + 13.6C + 13.6D) = CASH FLOW LINE 13.6 => Cost of investments acquired - Miscellaneous applications	
13.7	Total investments acquired (Lines B4.3 + S4.3 + M4.3 + R5.4 + O4.3 + 13.6E) => CASH FLOW LINE 13.7	1,319,844
15.	Net cash from investments (Lines 12.8 - 13.7 - P5.3) => CASH FLOW LINE 15	(1,319,844)

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DEVELOPMENT DATA WORKPAGES FOR "CASH FLOW"

Use the COMPANY ADJUSTMENT AMOUNT lines to adjust any line(s) on the Cash Flow page.

		CY Cash Flow
CASH FROM FINANCING		
1.	Surplus Notes and Capital Notes	
1.1	Change in Surplus Notes	
1.1A	Page 3, Liabilities, Line 26, Column 3, Current Year => Surplus notes	
1.1B	Page 3, Liabilities, Line 22, Column 3, Previous Year => Surplus notes	
1.1C	Subtotal (Line 1.1A - 1.1B) => Change in Surplus Notes	
1.2	Change in Capital Notes	
1.2A	Page 3, Liabilities, Column 3, Current Year => Capital notes	
1.2B	Page 3, Liabilities, Column 3, Previous Year => Capital notes	
1.2C	Subtotal (Line 1.2A - 1.2B) => Change in Capital Notes	
1.3	COMPANY ADJUSTMENT AMOUNT (Line 16.1)	
1.4	TOTAL (Lines 1.1C + 1.2C + 1.3) = CASH FLOW LINE 16.1 => Cash provided (applied) - Surplus notes, capital notes	
2.	Capital and Paid in Surplus, Less Treasury Stock	
2.1	Change in Capital	
2.1A	Page 3, Liabilities, Line 23, Column 3, Current Year => Common Capital Stock	100,000
2.1B	Page 3, Liabilities, Line 24, Column 3, Current Year => Preferred Capital Stock	
2.1C	Page 3, Liabilities, Line 19, Column 3, Previous Year => Common Capital Stock	100,000
2.1D	Page 3, Liabilities, Line 20, Column 3, Previous Year => Preferred Capital Stock	
2.1E	Subtotal (Line 2.1A + 2.1B) - (Line 2.1C + 2.1D) => Change in Capital	
2.2	Change in Paid in Surplus	
2.2A	Page 3, Liabilities, Line 25, Column 3, Current Year => Gross paid in and contributed surplus	
2.2B	Page 3, Liabilities, Line 21, Column 3, Previous Year => Gross paid in and contributed surplus	
2.2C	Subtotal (Line 2.2A - 2.2B) => Change in Paid in Surplus	
2.3	Change in Treasury Stock	
2.3A	Page 3, Liabilities, Line 29.1 + 29.2, Column 3, Current Year => Treasury stock, at cost	
2.3B	Page 3, Liabilities, Line 25.1 + 25.2, Column 3, Previous Year => Treasury stock, at cost	
2.3C	Subtotal (Line 2.3A - 2.3B) => Change in Treasury Stock	
2.4	Transfer from Unassigned Surplus to lines included in Line 2.1 or 2.2	
2.5	COMPANY ADJUSTMENT AMOUNT (Line 16.2)	
2.6	TOTAL (Lines 2.1E + 2.2C - 2.3C - 2.4 + 2.5) = CASH FLOW LINE 16.2 => Cash provided (applied) - Capital and paid in surplus, less treasury stock	
3.	Borrowed Funds Received	
3.1	Change in Borrowed Money	
3.1A	Page 3, Liabilities, Line 14, Column 3, Current Year => Borrowed money (including \$##### current) and interest thereon \$##### (including \$##### current)	
3.1B	Page 3, Liabilities, Line 10, Column 3, Previous Year => Borrowed money (including \$##### current) and interest thereon \$##### (including \$##### current)	
3.1C	Subtotal (Line 3.1A - 3.1B) => Change in Borrowed Money	
3.2	COMPANY ADJUSTMENT AMOUNT (Line 16.3)	
3.3	TOTAL (Lines 3.1C + 3.2) = CASH FLOW LINE 16.3 => Cash provided (applied) - Borrowed funds received	
4.	Net Deposits on Deposit-Type Contracts and Other Insurance Liabilities	
4.1	Change in Deposit-type Contracts (N/A for Health)	
4.1A	Page 3, Liabilities, Column 3, Current Year	
4.1B	Page 3, Liabilities, Column 3, Previous Year	
4.1C	Subtotal (Line 4.1A - 4.1B) => Change in Deposit-type Contracts	
4.2	COMPANY ADJUSTMENT AMOUNT (Line 16.4)	
4.3	TOTAL (Lines 4.1C + 4.2) = CASH FLOW LINE 16.4 => Cash provided (applied) - Net deposits on deposit-type contracts and other insurance liabilities	
5.	Dividends to Stockholders	
5.1	Page 5, Statement of Revenue & Expenses, Line 46, Column 1, Current Year => Dividends to stockholders	
5.2	Change in Dividends to Stockholders	
5.2A	Page 3, Liabilities, Line 21, Column 3, Current Year (in part) => Aggregate write-ins for other liabilities (including \$##### current)	
5.2B	Page 3, Liabilities, Line 17, Column 3, Previous Year (in part) => Aggregate write-ins for other liabilities (including \$##### current)	
5.2C	Subtotal (Line 5.2A - 5.2B) => Change in Dividends to Stockholders	
5.3	COMPANY ADJUSTMENT AMOUNT (Line 16.5)	
5.4	TOTAL (Lines 5.1 - 5.2C + 5.3) = CASH FLOW LINE 16.5 => Cash provided (applied) - Dividends to stockholders	
6.	Other Cash Provided (Applied)	
6.1	Page 5, Statement of Revenue & Expenses, Line 47, Column 1, Current Year => Aggregate write-ins for gains or (losses) in surplus	
6.2	Change in Miscellaneous Liabilities	
6.2A	Page 3, Liabilities, Line 12, Column 3, Current Year => Amounts withheld or retained for the account of others	
6.2B	Page 3, Liabilities, Line 15, Column 3, Current Year => Amounts due to parent, subsidiaries and affiliates	
6.2C	Page 3, Liabilities, Line 17, Column 3, Current Year => Funds held under reinsurance treaties with (\$##### authorized reinsurers and \$##### unauthorized reinsurers)	
6.2D	Page 3, Liabilities, Line 21, Column 3, Current Year => Aggregate write-ins for other liabilities (including \$##### current)	7,021,658
6.2E	Page 3, Liabilities, Line 27, Column 3, Current Year => Aggregate write-ins for other than special surplus funds	

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		CY Cash Flow
6.2F	Page 3, Liabilities, Line 9, Column 3, Previous Year => Amounts withheld or retained for the account of others	
6.2G	Page 3, Liabilities, Line 11, Column 3, Previous Year => Amounts due to parent, subsidiaries and affiliates	175,752
6.2H	Page 3, Liabilities, Line 13, Column 3, Previous Year => Funds held under reinsurance treaties with (\$##### authorized reinsurers and \$##### unauthorized reinsurers)	
6.2I	Page 3, Liabilities, Line 17, Column 3, Previous Year => Aggregate write-ins for other liabilities (including \$##### current)	11,237,947
6.2J	Page 3, Liabilities, Line 23, Column 3, Previous Year => Aggregate write-ins for other than special surplus funds	
6.2K	Subtotal (Lines 6.2A + 6.2B + 6.2C + 6.2D + 6.2E) - (Lines 6.2F + 6.2G + 6.2H + 6.2I + 6.2J) => Change in Miscellaneous Liabilities	(4,392,041)
6.3	Change in Miscellaneous Assets	
6.3A	Page 2, Assets, Line 17, Column 1, Current Year => Electronic data processing equipment and software	
6.3B	Page 2, Assets, Line 18, Column 1, Current Year => Furniture and equipment, including health care delivery assets (\$#####)	
6.3C	Page 2, Assets, Line 20, Column 1, Current Year => Receivables from parent, subsidiaries and affiliates	4,900,767
6.3D	Page 2, Assets, Line 21, Column 1, Current Year => Health care (\$#####) and other amounts receivable	164,760
6.3E	Page 2, Assets, Line 22, Column 1, Current Year => Other assets nonadmitted	
6.3F	Page 2, Assets, Line 23, Column 1, Current Year => Aggregate write-ins for other than invested assets	
6.3G	Page 2, Assets, Line 11, Column 1, Previous Year => Health care receivables	5,011,326
6.3H	Page 2, Assets, Line 15, Column 1, Previous Year => Amounts due from parent, subsidiaries and affiliates	
6.3I	Page 2, Assets, Line 17, Column 1, Previous Year => Furniture and equipment	
6.3J	Page 2, Assets, Line 20, Column 1, Previous Year => Electronic data processing equipment and software	
6.3K	Page 2, Assets, Line 21, Column 1, Previous Year => Other assets nonadmitted	
6.3L	Page 2, Assets, Line 22, Column 1, Previous Year => Aggregate write-ins for other than invested assets	
6.3M	Subtotal (Lines 6.3A + 6.3B + 6.3C + 6.3D + 6.3E + 6.3F) - (Lines 6.3G + 6.3H + 6.3I + 6.3J + 6.3K + 6.3L)	54,201
6.4	Transfer from Unassigned Surplus to lines included in Line 6.2	
6.5	Depreciation (included on Line 7.5 of the Cash from Operations section of the Work Paper)	
6.6	COMPANY ADJUSTMENT AMOUNT (Line 16.6)	(108,402)
6.7	TOTAL (Lines 6.1 + 6.2K + 6.3M - 6.4 + 6.5 + 6.6) = CASH FLOW LINE 16.6 => Cash provided (applied) - Other cash provided (applied)	(4,446,242)
17.	Net cash from financing and miscellaneous sources (Lines 1.4 + 2.6 + 3.3 + 4.3 - 5.4 + 6.7) => CASH FLOW LINE 17	(4,446,242)
18.	Net change in cash and short-term investments (Lines 11 + 15 + 17) => CASH FLOW LINE 18	(9,718,588)
19.	Cash and short-term investments	
19.1	Page 2, Assets, Line 5, Column 4 = CASH FLOW LINE 19.1 => Beginning of year	30,144,002
19.2	End of period (Line 18 + 19.1) => CASH FLOW LINE 19.1	20,425,414
Reconcile Change in Liability in Reinsurance in Unauthorized Companies		
1.	Page 5, Statement of Revenue & Expenses, Line 40, Column 1, Current Year => Change in unauthorized reinsurance	
2.	Change in Liability for Reinsurance in Unauthorized Companies	
2.1	Page 3, Liabilities, Line 18, Column 3, Current Year => Reinsurance in unauthorized companies	
2.2	Page 3, Liabilities, Line 14, Column 3, Previous Year => Reinsurance in unauthorized companies	
2.3	Subtotal (Line 2.1 - 2.2) => Change in Liability for Reinsurance in Unauthorized Companies	
3.	TOTAL (Line 1 - 2.3)	
4.	NOTE: Line 3 should equal 0. If not equal to 0, balance should be reported as an adjustment to the appropriate line on the Cash Flow Statement	Balanced
Reconcile of Nonadmitted Assets		
1.	Page 5, Statement of Revenue & Expenses, Line 39, Column 1, Current Year => Change in nonadmitted assets	1,900,989
2.	Change in Nonadmitted	
2.1	Page 2, Assets, Line 26, Column 2, Current Year => Total	4,066,585
2.2	Page 2, Assets, Line 26, Column 2, Previous Year (adjusted for amounts reported in unrealized capital gains (losses) => Total	5,967,574
2.3	Subtotal (Line 2.1 - 2.2) => Change in Nonadmitted	(1,900,989)
3.	Other adjustments	
4.	TOTAL (Line 1 + 2.3 + 3)	
5.	NOTE: Line 4 should equal 0. If not equal to 0, balance should be reported as cash from financing on CASH FLOW LINE 16.6)	Balanced
Reconcile of Change in Accounting		
1.	Page 5, Statement of Revenue & Expenses, Line 43, Column 1, Current Year => Cumulative effect of changes in accounting principles	
2.	Allocate all amounts due to change in accounting to the appropriate section of the work paper	

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year													
2. First Quarter													
3. Second Quarter													
4. Third Quarter													
5. Current Year													
6. Current Year Member Months	(111)								(111)				
Total Member Ambulatory Encounters for Period:													
7. Physician	(5,485)								(5,485)				
8. Non-Physician	274								274				
9. Total	(5,211)								(5,211)				
10. Hospital Patient Days Incurred	2,190								2,190				
11. Number of Inpatient Admissions	(72)								(72)				
12. Health Premiums Collected	(732,295)								(732,295)				
13. Life Premiums Direct													
14. Property/Casualty Premiums Written													
15. Health Premiums Earned	(732,295)								(732,295)				
16. Property/Casualty Premiums Earned													
17. Amount Paid for Provision of Health Care Services ...	(126,924)								(126,924)				
18. Amount Incurred for Provision of Health Care Services	(1,320,880)								(1,320,880)				

CLAIMS PAYABLE (Reported and Unreported)

Aging Analysis of Unpaid Claims						
1	2	3	4	5	6	7
Account	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 days	Over 120 Days	Total
0199999 Individually Listed Claims Payable
0299999 Aggregate Accounts Not Individually Listed - Uncovered
0399999 Aggregate Accounts Not Individually Listed - Covered	17,483	17,217	49,024	37,535	241,170	362,429
0499999 Subtotals	17,483	17,217	49,024	37,535	241,170	362,429
0599999 Unreported claims and other claim reserves
0699999 Total Amounts Withheld
0799999 Total Claims Payable						362,429
0899999 Accrued Medical Incentive Pool

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business		Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1+3)	6 Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
		1	2	3	4		
		On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec.31 of Prior Year	On Claims Incurred During the Year		
1.	Comprehensive (hospital & medical)
2.	Medicare Supplement
3.	Dental only
4.	Vision only
5.	Federal Employees Health Benefits Plan Premiums
6.	Title XVIII - Medicare
7.	Title XIX - Medicaid	(126,924)	362,429	235,505	1,556,385
8.	Other health
9.	Health subtotal (Lines 1 to 8)	(126,924)	362,429	235,505	1,556,385
10.	Other non-health
11.	Medical incentive pools, accruals and disbursements
12.	TOTALS	(126,924)	362,429	235,505	1,556,385

Notes to Financial Statement

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Volunteer State Health Plan, Inc. (VSHP) (The Company) are presented on the basis of accounting practices prescribed or permitted by the Tennessee Department of Commerce and Insurance (TDCI).

The TDCI, TennCare Division, recognizes only statutory accounting practices prescribed or permitted by the State of Tennessee for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Tennessee Insurance Law. The National Association of Insurance Commissioners’ (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Tennessee. The Commissioner of Insurance has the right to permit specific practices that deviate from prescribed practices.

The Company, at the direction of the Commissioner of Insurance of the State of Tennessee, records premium and claims equivalents for the uninsured Exigency period (July 1, 2000 – June 30, 2001), instead of reporting the net gain/(loss) in the general administrative expense line of the current year column as required by NAIC SAP. If premium equivalents were not recorded, claims would be increased (21,541) YTD.

At the request of the TDCI, TennCare Division, VSHP is no longer reporting for ASOs the receivables and associated payables to the State of Tennessee for Pharmacy rebates, Investment Interest Income and Premium Taxes, effective with the June 30, 2003 filing. (The ASO Pharmacy rebate receivable and associated payable were excluded from the 2002 Annual and first quarter 2003 statements via amended returns.) The rationale behind the exclusion is these assets have no economic benefit to VSHP.

The TDCI, TennCare Division, allows a permitted practice of admitting the most current 90 days of Health Care Receivables (per Tennessee Code Annotated (TCA) §56-32-212 (a) 5D).

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

C. Wash Sales

Not Applicable

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

A. ASO Plan:

TennCare Select, effective July 1, 2001, and the Stabilization Plan, effective July 1, 2002, are ASO arrangements with the State. The administrative fees received are equivalent to the expenses recorded. Per an Administrative Service Agreement, these expenses are paid to the Parent, who records any gain or (loss) on their books. TennCare Select is reported on the supplemental income statement (Report #2A, p. 5.2). The Stabilization Plan is reported on the supplemental income statement (Report #2A, p. 5.3). All assets related to TennCare Select and the Stabilization Plan are reported in their appropriate categories on the balance sheet. (Note that pharmacy rebate, premium tax, and interest income receivables are excluded from line 14 of the Assets page.) All liabilities for the ASO plans are netted on page 3, line 20 in the category labeled “Liability for amounts held under uninsured accident and health plans”, excluding any ‘due to/from’ transactions occurring between the ASO, insured business, and the Parent.

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2003:

	(1)	(2)	(3)
	ASO	Uninsured	
	Uninsured	Portion of	Total
	<u>Plans</u>	<u>Plans</u>	<u>ASO</u>
a. Net reimbursement for Administrative Expenses (including Administrative Fees) In excess of actual expenses	\$0	\$0	\$0
b. Total Net Other Income or Expenses (including interest paid to or received from plans)	0	0	0
c. Net Gain or (Loss) from operations	0	0	0
d. Total Claims Payment Volume	\$555,823,109	0	\$555,823,109

Notes to Financial Statement

B. ASC Plan

The Company operated under an Exigency agreement with the State for the period July 1, 2000 through June 30, 2001. Per permitted practice, premium and claims equivalents are disseminated throughout the NAIC filing.

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NOTES TO FINANCIAL STATEMENT
ELECTRONIC DATA

Note 1		
(1)	(2)	(3)
Description	2002	2003
Depreciation	Depreciation	Depreciation
01A01 Net Income - State Basis
01A04 Net Income, NAIC SAP
01A05 Statutory Surplus State Basis
01A08 Statutory Surplus, NAIC SAP

Note 4	
Description	(1)
Amount	
Assets	
405A. Line 5 - Cash
405B. Line 26 - TOTALS
Liabilities, Surplus and Other Funds	
405C. Line 22 - TOTAL Liabilities
405D. Line 30 - Total Capital and Surplus
405E. Line 31 - TOTAL
Statement of Revenue and Expenses	
405F. Line 2 - Premiums
405G. Line 22 - Increase in aggregate reserves for accident & health (current year less prior year)
405H. Line 31 - Federal and foreign income taxes incurred
405I. Line 26 - Net realized capital gains (losses)
405J. Line 32 - Net Income

Note 5A2		
During 2003, the Company reduced interest rates of outstanding mortgate loans as follows:		
1	2	3
Percent	Amount	Number
.....

NOTES TO FINANCIAL STATEMENT (Continued)

Notes 5A04 - 5B04			
Description		1 Current Year	2 Prior Year
5A.	Mortgage Loans, including Mezzanine Real Estate Loans		
4.	As of year end, the Company held mortgages with interest more than 180 days past due with a recorded investment, excluding accrued interest		
A.	Total interest due on mortgages with interest more than 180 days past due		
5.	Taxes, assessments and any amounts advanced and not included in the mortgage loan total		
6.	Current year impaired loans with a related allowance for credit losses		
A.	Related allowance for credit losses		
7.	Impaired Mortgage loans without an allowance for credit losses		
8.	Average recorded investment in impaired loans		
9.	Interest income recognized during the period the loans were impaired		
10.	Amount of interest income recognized on a cash basis during the period the loans were impaired		
11.	Allowance for credit losses:		
A.	Balance at beginning of period		
B.	Additions charged to operations		
C.	Direct write-downs charged against the allowances		
D.	Recoveries of amounts previously charged off		
E.	Balance at end of period		
	12. The Company recognizes interest income on its impaired loans upon receipt.		
5B.	Debt Restructuring		
1.	The total recorded investment in restructured loans, as of year end		
2.	The realized capital losses related to these loans		
3.	Total contractual commitments to extend credit to debtors owning receivables whose terms have been modified in troubled debt restructurings		
4.	The Company accrues interest income on impaired loans to the extent it is deemed collectible (delinquent less than 90 days) and the loan continues to perform under its original or restructured contractual terms. Interest income on non performing loans is generally recognized on a cash basis		

Note 9A			
Description		1 2003	2 2002
9A.	The components of the net deferred tax asset/(liability) at December 31 are as follows:		
1.	Total of gross deferred tax assets (admitted and nonadmitted)
2.	Total of deferred tax liabilities
3.	Net deferred Tax assets
4.	Deferred tax assets nonadmitted
5.	Net admitted deferred tax assets
6.	(Increase) decrease in nonadmitted assets

Note 10E	
Description	1 Amount
10E. Any guarantees or undertakings, written or otherwise, for the benefit of an affiliate or related party that result in a material contingent exposure of the reporting entity's or any related party's assets or liabilities	

Notes 12A01 - 12A07				
Description	Pension Benefits		Other Benefits	
	1 2003	2 2002	3 2003	4 2002
Defined Benefit Plan: The Company sponsors non-contributory defined benefit pension plans covering U.S. Employees. As of December 31, 2002, the Company accrued in accordance with actuarially determined amounts with an offset to the pension cost accrual for the incremental asset amortization. A summary of assets, obligations and assumptions of the Pension and Other Post retirement Benefit Plans are as follows at December 31, 2002 and 2003:				
1. Change in benefit obligation				
A. Benefit obligation at beginning of year				
B. Service cost				
C. Interest cost				
D. Contribution by plan participants				
E. Actuarial gain (loss)				
F. Foreign currency exchange rate changes				
G. Benefits paid				
H. Plan amendments				
I. Business combinations, divestitures, curtailments, settlements and special termination benefits				
J. Benefit obligation at end of year				
2. Change in plan assets				
A. Fair value of plan assets at beginning of year				
B. Actual return on plan assets				
C. Foreign currency exchange rate changes				
D. Employer contribution				
E. Plan participants' contributions				
F. Benefits paid				
G. Business combinations, divestitures and settlements				
H. Fair value of plan assets at end of year				
3. Funded status				
A. Unamortized prior service cost				
B. Unrecognized net gain or (loss)				
C. Remaining net obligation or net asset at initial date of application				
D. Prepaid assets or accrued liabilities				
E. Intangible asset				
4. Benefit obligation for non-vested employees				
5. Components of net periodic benefit cost				
A. Service cost				
B. Interest cost				
C. Expected return on plan assets				
D. Amortization of unrecognized transition obligation or transition asset				
E. Amount of recognized gains and losses				
F. Amount of prior service cost recognized				
G. Amount of gain or loss recognized due to a settlement or curtailment				
H. Total net periodic benefit cost				
7. Weighted-average assumptions as of December 31				
A. Discount rate				
B. Rate of compensation increase				
C. Expected long-term rate of return on plan assets				

Note 12A09		
Description	1	2
	1 Percentage Point Increase	1 Percentage Point Decrease
9. Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:		
A. Effect on total of service and interest cost components		
B. Effect on post retirement benefit obligation		

NOTES TO FINANCIAL STATEMENT (Continued)

Note 1309	
Description	1 Amount
1309. The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:	
A. Unrealized gains and losses:
B. Nonadmitted asset values:
C. Separate account business:
D. Asset valuation reserves:
E. Provision for reinsurance:

Note 13 (Continued), Note 1310								
1	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Description	Date Issued	Interest Rate	Par Value (Face Amount of Notes)	Carrying Value of Note	Principal And/Or Interest Paid Current Year	Total Principal And/Or Interest Paid	Unapproved Principal And/Or Interest	Date of Maturity
1310999 Total X X X X X X (a) X X X ...

(a) Total should agree with Page 3, Line 26.

Note 1311		
1	2	3
		Change in Gross Paid- in and Contributed Surplus
Year	Change in Year Surplus	Contributed Surplus
.....

Note 14A01	
Description	1 Amount
14A. Disclose any commitment or contingent commitment to a Subsidiary, Controlled and Affiliated (SCA) entity, joint venture, partnership, or limited liability company (e.g., guarantees or commitments to provide additional capital contributions).	
1. Total contingent liabilities

NOTES TO FINANCIAL STATEMENT (Continued)

Notes 15A02 - 15B01	
Year Ending December 31	1 Amount
15A02. For leases having initial or remaining noncancelable lease terms in excess of one year: Future minimum rental payments required as of the date of the latest balance sheet presented, in the aggregate and for each of the five succeeding years: A. At January 1, 2003, the minimum aggregate rental commitments are as follows: 1. 2003 2. 2004 3. 2005 4. 2006 5. 2007 6. 2008	
15B01. Lessor Leases: C. Future minimum lease payment receivables under noncancelable leasing arrangements as of December 31, 2002 are as follows: 1. 2003 2. 2004 3. 2005 4. 2006 5. 2007 6. 2008 7. Net minimum future lease receipts	

Note 15B02		
In thousands	1 2003	2 2002
Leveraged Leases:		
B. The Company's investment in leveraged leases relates to equipment used primarily in the transportation industries. The component of net income from leveraged leases at December 31, 2002 were as shown below (In thousands) 1. Income from leveraged leases before income tax including investment tax credit 2. Less current income tax 3. Net income from leveraged leases		
C. The components of the investment in leveraged leases at December 31, 2002 and 2003 were as shown below (In thousands) 1. Lease contracts receivable (net of principal and interest on non-recourse financing) 2. Estimated residual value of leased assets 3. Unearned and deferred income 4. Investment in leveraged leases 5. Deferred income taxes related to leveraged leases 6. Net investment in leveraged leases		

Note 1601				
Description	ASSETS		LIABILITIES	
	1 2003	2 2002	3 2003	4 2002
1601. The table below summarizes the face amount of the Company's financial instruments with off-balance sheet risk A. Swaps B. Futures C. Options D. TOTAL				

Note 17C02				
Description	1 Number of Transactions	2 Book Value of Securities Sold	3 Cost of Securities Repurchased	4 Gain/ (Loss)
17C02. The details by NAIC designation 3 or below of securities sold during the first quarter ended March 31, 2003 and reacquired within 30 days of the sale date are: Bonds: A. NAIC 3 B. NAIC 4 C. NAIC 5 D. NAIC 6				
Preferred Stock: E. NAIC P/RP3 F. NAIC P/RP4 G. NAIC P/RP5 H. NAIC P/RP6				

Note 18A				
		1	2	3
		ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
Description				
18A.	The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2003:			
A.	Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses
B.	Total net other income or expenses (including interest paid to or received from plans)
C.	Net gain or (loss) from operations
D.	Total claim payment volume

NOTES TO FINANCIAL STATEMENT (Continued)

Note 18B				
Description		1 ASC Uninsured Plans	2 Uninsured Portion of Partially Insured Plans	3 Total ASC
18B.	The gain from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans was as follows during 2003:			
A.	Gross reimbursement for medical cost incurred
B.	Gross administrative fees accrued
C.	Other income or expenses (including interest paid to or received from plans)
D.	Gross expenses incurred (claims and administrative)
E.	Total net gain or (loss) from operations

Note 19					
1 Name and Addresss of Managing General Agent or Third Party Administrator	2 FEIN Number	3 Exclusive Contract	4 Type of Business Written	5 Type of Authority Granted	6 Total Direct Premiums Written/ Produced by
1999999 Total X X X X X X X X X X X X

Notes 23B01A - 23B01D		1 Amount
Description		
23B.	Uncollectible Reinsurance	
1.	The Company has written off in the current year reinsurance balances due (from the companies listed below) in the amount of \$#####
	Which is reflected as:	
A.	Losses incurred
B.	Loss adjustment expenses incurred
C.	Premiums earned
D.	Other

Note 23B01E	
1 Company	2 Amount
.....

Notes 23C01 - 23C04		1 Amount
Description		
23C.	The Company has reported in its operations in the current year as a result of commutation of reinsurance with the companies listed below, amounts which are reflected as:	
1.	Losses incurred
2.	Loss adjustment expenses incurred
3.	Premiums earned
4.	Other

NOTES TO FINANCIAL STATEMENT (Continued)

Note 23C05	
1 Company	2 Amount

Note 27A		
Description		1 Amount 1
		2 Amount 2
27.	Structured Settlements	
27A. Health Entities should not complete this Note, not applicable.		

Note 27B		
1	2	3
Description	Licensed in Reporting Entity's State of Domicile	
	Amount	
	... Yes[] No[] ...	

Note 28A					
1	2	3	4	5	6
Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing

Note 28B									
1	2	3	4	5	6	7	8	9	10
Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivables as Estimated in the Prior Year	Risk Sharing Receivables as Estimated in the Current Year	Risk Sharing Receivable Billed	Risk Sharing Receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing Amounts Received in First Year Subsequent	Actual Risk Sharing Amounts Received in Second Year Subsequent	Actual Risk Sharing Amounts Received- All Other

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements?

Yes[] No[X]
- 1.2 If yes, explain:
- 2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes[] No[X]
- 2.2 If yes, has the report been filed with the domiciliary state?

Yes[] No[] N/A[X]
- 3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 3.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
4. Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes attach an explanation.

Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 5.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation.

Yes[] No[X] N/A[]
- 7.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2002
- 7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

03/31/2000
- 7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

08/08/2001
- 7.4 By what department or departments?
Tennessee Department of Commerce and Insurance
- 8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes[] No[X]
- 8.2 If yes, give full information
- 9.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 9.2 If response to 9.1 is yes, please identify the name of the bank holding company.
- 9.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 9.4 If response to 9.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
		Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

GENERAL INTERROGATORIES (continued)

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted.)

INVESTMENT

- 10.1

Has there been any changes in the reporting entity's own preferred or common stock?

Yes[] No[X]
- 10.2

If yes, explain:
- 11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes[] No[X]
- 11.2

If yes, give full and complete information relating thereto:
12.

Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$.....
13.

Amount of real estate and mortgages held in short-term investments:

\$.....
- 14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes[] No[X]
- 14.2

If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
14.21 Bonds		
14.22 Preferred Stock		
14.23 Common Stock		
14.24 Short-Term Investments		
14.25 Mortgages, Loans or Real Estate		
14.26 All Other		
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)		
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above		
14.29 Receivable from Parent not included in Lines 14.21 to 14.26 above		

- 15.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes[] No[X]
- 15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

Yes[] No[] N/A[X]
16.

Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV, H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[]
- 16.1

For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Union Planters Bank N.A.	P.O. Box 387 Memphis TN 38119
Mellon Bank N.A.	P.O. Box 371791 Pittsburgh, PA 15251

- 16.2

For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....

- 16.3

Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes[] No[X]
- 16.4

If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....

- 16.5

Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
17454	Mellon Bank N.A.	P.O. Box 371791 Pittsburgh, PA 15251
111807	Union Planters Bank N.A.	P.O. Box 387 Memphis, TN 38147 ...

SCHEDULE A - VERIFICATION

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year		
2.	Increase (decrease) by adjustment		
3.	Cost of acquired		
4.	Cost of additions to and permanent improvements		
5.	Total profit (loss) on sales		
6.	Increase (decrease) by foreign exchange adjustment		
7.	Amount received on sales		
8.	Book/adjusted carrying value at end of current period		
9.	Total valuation allowance		
10.	Subtotal (Lines 8 plus 9)		
11.	Total nonadmitted amounts		
12.	Statement value, current period (Page 2, real estate lines, current period)		

SCHEDULE B - VERIFICATION

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year		
2.	Amount loaned during period:		
2.1	Actual cost at time of acquisitions		
2.2	Additional investment made after acquisitions		
3.	Accrual of discount and mortgage interest points and commitment fees		
4.	Increase (decrease) by adjustment		
5.	Total profit (loss) on sale		
6.	Amounts paid on account or in full during the period		
7.	Amortization of premium		
8.	Increase (decrease) by foreign exchange adjustment		
9.	Book value/recorded investment excluding accrued interest on mortgages owned at end of current period		
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)		
12.	Total nonadmitted amounts		
13.	Statement value of mortgages owned at end of current period		

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

		1	2
Description		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year		
2.	Cost of acquisitions during period:		
2.1	Actual cost at time of acquisitions		
2.2	Additional investment made after acquisitions		
3.	Accrual of discount		
4.	Increase (decrease) by adjustment		
5.	Total profit (loss) on sale		
6.	Amounts paid on account or in full during the period		
7.	Amortization of premium		
8.	Increase (decrease) by foreign exchange adjustment		
9.	Book/adjusted carrying value of long-term invested assets at end of current period		
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)		
12.	Total nonadmitted amounts		
13.	Statement value of long-term invested assets at end of current period		

SCHEDULE D - VERIFICATION

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value of bonds and stocks, December 31 of prior year	19,994,049	28,902,575
2.	Cost of bonds and stocks acquired	1,319,844	31,658,420
3.	Accrual of discount		
4.	Increase (decrease) by adjustment		(513,714)
5.	Increase (decrease) by foreign exchange adjustment		
6.	Total profit (loss) on disposal		(26,482)
7.	Consideration for bonds and stocks disposed of		40,026,750
8.	Amortization of premium	285,020	
9.	Book/adjusted carrying value, current period	21,028,873	19,994,049
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)	21,028,873	19,994,049
12.	Total nonadmitted amounts		
13.	Statement value (Lines 11 minus 12)	21,028,873	19,994,049

SCHEDULE D - PART 1B
Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1	57,025,843	307,599,352	304,448,438	(145,036)	57,025,843	60,031,721		62,070,979
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. TOTAL Bonds	57,025,843	307,599,352	304,448,438	(145,036)	57,025,843	60,031,721		62,070,979
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. TOTAL Preferred Stock								
15. TOTAL Bonds & Preferred Stock	57,025,843	307,599,352	304,448,438	(145,036)	57,025,843	60,031,721		62,070,979

SCHEDULE DA - PART 1

Short - Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
8099999. TOTALS	39,002,848	X X X	39,002,848	124,929

SCHEDULE DA - PART 2 - Verification

Short-Term Investments Owned

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	42,076,930	186,104,388
2.	Cost of short-term investments acquired	656,676,150	1,334,775,248
3.	Increase (decrease) by adjustment		
4.	Increase (decrease) by foreign exchange adjustment		
5.	Total profit (loss) on disposal of short-term investments		
6.	Consideration received on disposal of short-term investments	659,750,232	1,478,802,706
7.	Book/adjusted carrying value, current period	39,002,848	42,076,930
8.	Total valuation allowance		
9.	Subtotals (Lines 7 plus 8)	39,002,848	42,076,930
10.	Total nonadmitted amounts		
11.	Statement value (Lines 9 minus 10)	39,002,848	42,076,930
12.	Income collected during period	301,284	2,779,994
13.	Income earned during period	225,028	2,536,910

SCHEDULE DB - PART F - SECTION 1
Summary of Replicated (Synthetic) Assets Open

Replicated (Synthetic) Asset					Components of the Replicated (Synthetic) Asset							
1 Replication RSAT Number	2 Description	3 NAIC Designation or Other Description	4 Statement Value	5 Fair Value	Derivative Instruments Open		Cash Instrument(s) Held					
					6	7	8	9	10	11	12	
					Description	Fair Value	CUSIP	Description	Statement Value	Fair Value	NAIC Designation or Other Description	
					N O N E							
9999999	X X X	X X X ...	X X X	X X X

SCHEDULE DB - PART F - SECTION 2
Reconciliation of Replicated (Synthetic) Assets Open

		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-To-Date	
		1	2	3	4	5	6	7	8	9	10
		Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value
1.	Beginning Inventory										
2.	Add: Opened or Acquired Transactions										
3.	Add: Increases in Replicated Asset Statement Value	X X X				X X X		X X X		X X X	
4.	Less: Closed or Disposed of Transactions										
5.	Less: Positions Disposed of for Failing Effectiveness Criteria										
6.	Less: Decreases in Replicated (Synthetic) Asset Statement Value	X X X				X X X		X X X		X X X	
7.	Ending Inventory										

NONE

SCHEDULE S - CEDED REINSURANCE
Showing all new reinsurers-Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Location	5 Is Insurer Authorized? (Yes or No)
		<div>NONE</div>		

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

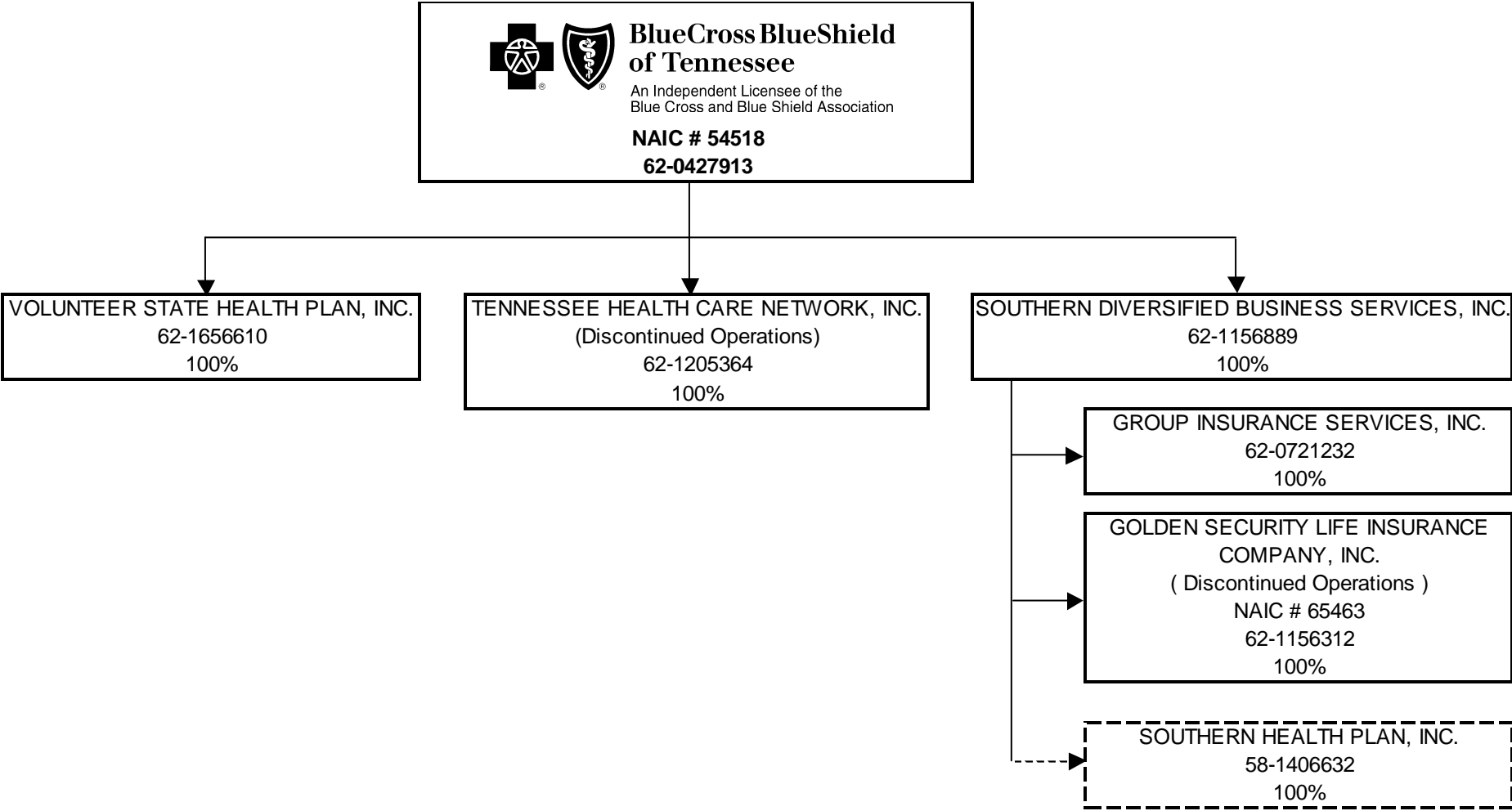
State, Etc.		1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed (Yes or No)	Direct Business Only Year-to-Date					
				3 Accident and Health Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefits Program Premiums	7 Life and Annuity Premiums and Deposit-Type Contract Funds	8 Property/ Casualty Premiums
1.	Alabama (AL) No No
2.	Alaska (AK) No No
3.	Arizona (AZ) No No
4.	Arkansas (AR) No No
5.	California (CA) No No
6.	Colorado (CO) No No
7.	Connecticut (CT) No No
8.	Delaware (DE) No No
9.	District of Columbia (DC) No No
10.	Florida (FL) No No
11.	Georgia (GA) No No
12.	Hawaii (HI) No No
13.	Idaho (ID) No No
14.	Illinois (IL) No No
15.	Indiana (IN) No No
16.	Iowa (IA) No No
17.	Kansas (KS) No No
18.	Kentucky (KY) No No
19.	Louisiana (LA) No No
20.	Maine (ME) No No
21.	Maryland (MD) No No
22.	Massachusetts (MA) No No
23.	Michigan (MI) No No
24.	Minnesota (MN) No No
25.	Mississippi (MS) No No
26.	Missouri (MO) No No
27.	Montana (MT) No No
28.	Nebraska (NE) No No
29.	Nevada (NV) No No
30.	New Hampshire (NH) No No
31.	New Jersey (NJ) No No
32.	New Mexico (NM) No No
33.	New York (NY) No No
34.	North Carolina (NC) No No
35.	North Dakota (ND) No No
36.	Ohio (OH) No No
37.	Oklahoma (OK) No No
38.	Oregon (OR) No No
39.	Pennsylvania (PA) No No
40.	Rhode Island (RI) No No
41.	South Carolina (SC) No No
42.	South Dakota (SD) No No
43.	Tennessee (TN) No Yes (732,295)
44.	Texas (TX) No No
45.	Utah (UT) No No
46.	Vermont (VT) No No
47.	Virginia (VA) No No
48.	Washington (WA) No No
49.	West Virginia (WV) No No
50.	Wisconsin (WI) No No
51.	Wyoming (WY) No No
52.	American Samoa (AS) No No
53.	Guam (GU) No No
54.	Puerto Rico (PR) No No
55.	U.S. Virgin Islands (VI) No No
56.	Canada (CN) No No
57.	Aggregate other alien (OT) X X X X X X
58.	TOTAL (Direct Business) X X X ..	(a)..... 1 (732,295)
DETAILS OF WRITE-INS									
5701 X X X X X X
5702 X X X X X X
5703 X X X X X X
5798.	Summary of remaining write-ins for Line 57 from overflow page X X X X X X
5799.	TOTALS (Lines 5701 through 5703 plus 5798) (Line 57 above) X X X X X X

(a) Insert the number of yes responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

All insurer members of a Holding Company Group that has acquired and/or disposed of any domestic insurer (s) since filing the last annual or quarterly statement shall prepare a common schedule for inclusion in each of the individual quarterly statements

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y - PART 1 - DISKETTE FILING DATA
Do not include in the bound copy of the annual statement.

NAIC Group Code	Group Name	NAIC Code	State of Domicile	FEI/All Number	Name of Company
.....	0	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

1. Will the SVO Compliance Certification be filed with this statement?

RESPONSES
Yes

Explanation:

Bar Code:

OVERFLOW PAGE FOR WRITE-INS

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
2104.	Check/Supense Clearing	619,901		619,901	916,262
2105.	Exigency Post-Settlement Activity	177,476		177,476	914,418
2106.				
2197.	Summary of remaining write-ins for Line 21 (Line 2104 through 2196)	797,377		797,377	1,830,680

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date
		1 Uncovered	2 Total	3 Total
0604.	Essential Provider Payments & Associated Premium Taxes	X X X	(25,510,204)	(20,408,164)
0697.	Summary of remaining write-ins for Line 6 (Lines 0604 through 0696)	X X X	(25,510,204)	(20,408,164)

SCHEDULE A - PART 2
Showing all Real Estate ACQUIRED During the Current Quarter

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Expended for Additions and Permanent Improvements
	2	3						
	City	State						
NONE								
9999999 Totals

SCHEDULE A - PART 3
Showing all Real Estate SOLD during the Quarter, including Payments during the Final Year on "Sales under Contract"

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Expended for Additions, Permanent Improvements and Changes in Encumbrances	10 Book/Adjusted Carrying Value Less Encumbrances	11 Amounts Received	12 Foreign Exchange Profit (Loss) on Sale	13 Realized Profit (Loss) on Sale	14 Total Profit (Loss) on Sale	15 Gross Income Earned Less Interest Incurred on Encumbrances	16 Taxes, Repairs and Expenses Incurred
	2 City	3 State													
					N O N E										
9999999 Totals

SCHEDULE B - PART 1

Showing all Mortgage Loans ACQUIRED during the Current Quarter

1	Location		4	5	6	7	8	9	10	11
	2	3								
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest					
<div>NONE</div>										
9999999 GRAND TOTAL X X X ..

SCHEDULE B - PART 2

Showing all Mortgage Loans SOLD, transferred or paid in full during the Current Quarter

1	Location		4	5	6	7	8	9	10	11	12	13
	2	3										
Loan Number	City	State	Loan Type	Date Acquired								
					NONE							
9999999 Totals												

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets ACQUIRED during the Current Quarter

1 Number of Units and Description	Location		4 Name of Vendor	5 Date Acquired	6 Actual Cost	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Increase (Decrease) by Adjustment	10 Increase (Decrease) by Foreign Exchange Adjustment
	2	3							
	City	State							
NONE									
9999999 Totals

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD, transferred or paid in full during the Current Quarter

1 Number of Units and Description	Location		4 Name of Purchaser or Nature of Disposition	5 Date Acquired	6 Book/ Adjusted Carrying Value Less Encumbrances Prior Year	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Book Adjusted/ Carrying Value Less Encumbrances at Disposition	10 Consideration Received	11 Foreign Exchange Profit (Loss) on Sale	12 Realized Profit (Loss) on Sale	13 Total Profit (Loss) on Sale
	2 City	3 State										
NONE												
9999999 Totals

SCHEDULE D - PART 3
Showing All Long-Term Bonds and Stocks ACQUIRED During Current Quarter

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation (a)
Bonds - U.S. Governments								
31359MJX2	FEDERAL NATL MTG ASSOC 05/28/2003	Spear Leeds & Kellogg X X X 1,319,844 1,200,000 28,700	1
0399999 Subtotal - Bonds - U.S. Governments 1,319,844 1,200,000 28,700
6099997 Subtotal - Bonds - Part 3 1,319,844 1,200,000 28,700
6099998 Summary Item for Bonds Bought and Sold This Quarter								
6099999 Subtotal - Bonds 1,319,844 1,200,000 28,700
6599998 Summary Item for Preferred Stock Bought and Sold This Quarter								
7099998 Summary Item for Common Stock Bought and Sold This Quarter						X X X		
7199999 Subtotal - Preferred and Common Stock						X X X		
7299999 Total - Bonds, Preferred and Common Stock 1,319,844 X X X 28,700

(a) For all common stock bearing the NAIC designation "U" provide: the number of such issues

SCHEDULE D - PART 4
Showing All Long-Term Bonds and Stocks Sold, Redeemed, or Otherwise Disposed of
by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) On Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Desig- nation (a)
						N O N E										
7299999 Total - Bonds, Preferred and Common Stock X X X X X X .

(a) For all common stock bearing the NAIC designation "U" provide: the number of such issues

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors and Insurance Futures Options Owned at Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Description	Number of Contracts or Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price Rate or Index	Date of Acquisition	Exchange or Counterparty	Cost/ Option Premium	Book Value	*	Statement Value	Fair Value	Year to Date Increase/ (Decrease) by Adjustment	Used to Adjust Basis of Hedged Item	Other Investment/ Miscellaneous Income
NONE													
9999999 Grand Total

SCHEDULE DB - PART B - SECTION 1

Showing all Options, Caps, Floors and Insurance Futures Options Written and In-Force at Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Description	Number of Contracts or Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price Rate or Index	Date of Issuance/ Purchase	Exchange or Counterparty	Consideration Received	Book Value	*	Statement Value	Fair Value	Year to Date Increase/ (Decrease) by Adjustment	Used to Adjust Basis	Other Investment/ Miscellaneous Income
NONE													
9999999 Grand Total

SCHEDULE DB - PART C - SECTION 1

Showing all Collar, Swap and Forwards Open at Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Description	Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price Rate or Index Rec (Pay)	Date of Opening Position or Agreement	Exchange or Counterparty	Cost or (Consideration Received)	Book Value	*	Statement Value	Fair Value	Year to Date Increase/ (Decrease) by Adjustment	Used to Adjust Basis of Hedged Item	Other Investment/ Miscellaneous Income	Potential Exposure
NONE														
9999999 Grand Total

SCHEDULE DB - PART D - SECTION 1

Showing all Futures Contracts and Insurance Futures Contracts at Current Statement Date

1	2	3	4	5	6	7	8	9	Variation Margin Information			13
									10	11	12	
Description	Number of Contracts	Maturity Date	Original Value	Current Value	Variation Margin	Date of Opening Position	Exchange or Counterparty	Cash Deposit	Recognized	Used to Adjust Basis of Hedged Item	Deferred	Potential Exposure
NONE												
9999999 Grand Total X X X X X X

SCHEDULE E - PART 1 - CASH

1			2	3	4	Book Balance at End of Each Month During Current Quarter			8
Depository			Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	5	6	7	*
						First Month	Second Month	Third Month	
open depositories									
Union Planters Bank, NA	7130 Goodlett Farms Pkwy, Cordova, TN 38018					(1,392,705)	151,804	49,139	
Union Planters Bank, NA	835 Georgia Ave.,Chattanooga TN 37402					133,684	28,498	11,549	
Union Planters Bank, NA	7130 Goodlett Farms Pkwy, Cordova, TN 38018					(219,679)	(636,898)	(16,892)	
Union Planters Bank, NA	7130 Goodlett Farms Pkwy, Cordova TN 38018					(50,509)	(27,848)	(58,141)	
Union Planters Bank, NA	7130 Goodlett Farms Pkwy, Cordova, TN 38018					(2,264,702)	(10,579,646)	(8,167,028)	
Union Planters Bank, NA	7130 Goodlett Farms Pkwy, Cordova, TN 38018					(2,902,907)	(10,794,037)	(10,396,061)	
0199998 Deposits in depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories			X X X ...						
0199999 Totals - Open Depositories			X X X ...			(6,696,818)	(21,858,127)	(18,577,434)	
0299998 Deposits in depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories			X X X ...						
0299999 Totals - Suspended Depositories			X X X ...						
0399999 Total Cash On Deposit			X X X ...			(6,696,818)	(21,858,127)	(18,577,434)	
0499999 Cash in Company's Office			X X X ...	X X X ...	X X X ...				
0599999 Total Cash			X X X ...			(6,696,818)	(21,858,127)	(18,577,434)	



SVO Compliance Certification

"The undersigned is an officer of the insurer responsible for reporting investments to the SVO and/or with performing all filings with appropriate state regulatory officials and the NAIC and is therefore required to be familiar with the requirements of such filings. The undersigned officer certifies that, to the best of his or her knowledge, information, and belief, all prices or NAIC designations for the securities reported in this statement have been obtained directly from the SVO except as specifically identified below. The officer further certifies that, to the best of his or her knowledge, information, and belief, since the last filing of a quarterly or annual statement:

- 1. All securities previously valued by the insurer and identified by a Z suffix have now been submitted to the SVO for a valuation or disposed of by sale or otherwise with the result that all prices and NAIC Designations reported in this statement have been provided by the SVO, except for new purchases identified in Schedule D and DA with a Z suffix or items submitted but not yet processed by the SVO.
- 2. Any newly purchased securities now identified with a Z suffix shall be submitted to the SVO within 120 days of purchase.
- 3. All necessary information on securities which have been previously designated NR (not rated due to lack of current information) by the SVO have either been submitted to the SVO by the insurer for a valuation or disposed of by the insurer.
- 4. All material issuer events (as defined below) have been reported to the SVO."

A material issuer event is a generic or transaction specific credit event of which the insurer is currently aware, which by its nature would signify to a reasonably prudent insurer that a material change in the credit quality or price of the investment or security has occurred.

As an illustration, and not by way of limitation, the following shall be deemed to constitute material issuer events:

- a. Recapitalizations or capital restructuring whether within or without Chapter 11 of the US Bankruptcy Code;
- b. Nonpayment, deferral, or payment in kind through waiver of any principal or contractual interest payment;
- c. Any change in the maturity of a security;
- d. Changes in the lender’s collateral position, including releases of collateral, or the taking of a collateral position whether by operation of negative pledge covenant or otherwise;
- e. Events of a like character or of a like effect, which would be considered material to an investment professional.
- f. Exceptions_____

Harold Hoke Cantrell
Name of Investment Officer

Signature of Investment Officer

Assistant Treasurer
Title of Signatory

Date

Statement of Actuarial Opinion

Amended Statement Cover

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QUARTERLY DISKETTE TRANSMITTAL FORM AND CERTIFICATION
 (HEALTH)

Name of Insurer
 Volunteer State Health Plan, Inc.

Date
 NAIC Group #
 0000
 FEIN
 62-1656610
 NAIC Company #
 00000

THIS FORM IS REQUIRED FOR ALL DISKETTE TRANSMITTALS, PLEASE PROVIDE ANY ADDITIONAL COMMENTS THAT MAY
 HELP TO IDENTIFY DISKETTE CONTENT

	First Quarter	Second Quarter	Third Quarter
A01. Is this the first time you've submitted this filing? (Y/N)	N/A	N/A	N/A
A02. Is this being re-filed at the request of the NAIC or a state insurance department? (Y/N)	N/A	N/A	N/A
A03. Is this being re-filed due to changes to the data originally filed? (Y/N)	N/A	N/A	N/A
(IF "YES" ENCLOSE HARD COPY PAGES FOR EACH CHANGE.)			
A04. Other? (Y/N)	N/A	N/A	N/A
(If "yes" attach an explanation.)			

B. Additional comments if necessary for clarification:

C. Diskette Contact Person:

Phone:

Address:

D. Software Vendor:

Version:

E. Have material validation failures been addressed in the explanation file? Yes[] No[X]

F. The undersigned hereby certifies, according to the best of his/her knowledge and belief: that the diskettes submitted with this form were prepared in compliance with the NAIC specifications, that the diskettes have been tested against the validations included with these specifications, and that quarterly statement information required to be contained on diskette is identical to the information in the 2003 Quarterly Statement blank filed with the insurer's domiciliary state insurance department. In addition, the diskettes have been scanned through a virus detection software package, and no viruses are present on the diskettes. The virus detection software used was (name):

(version number):

(Signed)

Type Name and Title:

NAIC Company Code00000

NAIC Group Code0000

Reporting Entity NameVolunteer State Health Plan, Inc.

Domiciled inTennessee(State)

Mailing Address:801 Pine Street, Chattanooga, TN 37402

Annual Statement Contact:Linda Farah Snell(423)763-3130Linda_Snell@bcbst.com

(Name)Telephone No.E-mail Address

In the Matter of theQuarterlyStatement

(Annual/Quarterly)

Filing Required for the Period Ending on the

day of, 2003

Mailing Date:

}

AFFIDAVIT OF FILING
AND FINANCIAL
STATEMENT ATTESTATION

The officers of the above identified reporting entity, being duly sworn, each depose and say that on the mailing date above, a true and correct statement for the reporting period stated above and that the corresponding true and correct electronic file reflecting the statement for the above named reporting entity, has been sent to the National Association of Insurance Commissioners, according to their instructions. The statement and the corresponding electronic file are an exact and complete duplicate of the statement filed with the reporting entity’s domestic state, except as to schedules, exhibits and information required to be submitted only to the reporting entity’s domestic state.

Additionally, the officers of the above identified reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that for the reporting period stated above, all of the described assets in the above referenced statement were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as therein stated, and that the statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended on that date, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual, except to the extent that (1) state law may differ; or (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

(Signature)

(Signature)

(Signature)

(Printed Name)

President

(Printed Name)

Secretary

(Printed Name)

Treasurer

(Signature)

(Printed Name)

Witness

Subscribed and sworn to before me this

day of, 2003

(Notary Signature)

My Commission Expires: